



Daily Report—

China

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Daily Report

China

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General

UN Body Rejects Draft Resolution Against China

OW0803111595 Beijing XINHUA in English 1052
GMT 8 Mar 95

[FBIS Transcribed Text] Geneva, March 8 (XINHUA)—The UN Human Rights Commission rejected here today a draft resolution criticizing the so-called human rights situation in China.

The draft, which was sponsored by the United States and members of the European Union, was rejected by a vote of 21 to 20 with 12 abstentions.

Further on UN Rejection

OW0803115795 Beijing XINHUA in English 1106
GMT 8 Mar 95

[FBIS Transcribed Text] Geneva, March 8 (XINHUA)—The UN Human Rights Commission rejected here today a draft resolution criticizing the so-called human rights situation in China.

The draft, sponsored by the United States and members of the European Union, was rejected by a vote of 21 to 20 with 12 abstentions.

The United States and some members of the European Union have worked openly or behind the scenes on the draft for the political purpose since the six-week annual session began on January 30.

In the draft resolution, the Western countries recognized "China's successful efforts to better the economic situation," and "certain recent positive developments in the situation of human rights," and the willingness of the Government of the People's Republic of China to enter into bilateral dialogue on human rights."

However, they meddled in China's internal affairs by criticizing its legal system, religious policy and the rights of citizens.

For years, the United States and some other Western countries had tried at the annual meeting to document the so-called human rights violations in China with ulterior political motives. But their attempt had failed because of lacking support.

Spokesman Expresses Thanks

OW0803115195 Beijing XINHUA in English 1140
GMT 8 Mar 95

[FBIS Transcribed Text] Beijing, March 8 (XINHUA)—China today expressed its admiration and gratitude to those countries that have upheld justice and supported China in disapproving the so-called draft resolution entitled "the Situation of Human Rights in China" at the 51st session of the UN Commission on Human Rights.

The disapproval of the draft resolution tabled by a few Western countries has thus thwarted their attempt to

interfere in China's internal affairs under the pretext of human rights, the spokesman of the Foreign Ministry said here.

"The Chinese government wishes to express its admiration and gratitude to the countries that have upheld justice and supported China," the spokesman stated.

Since the founding of the People's Republic of China, the Chinese Government has all along attached importance to human rights. It has made unremitting efforts in protecting and promoting the human rights of the Chinese people and scored remarkable achievements [XINHUA Domestic Service in Chinese at 1111 GMT on 8 March transmits a report that reads: ... "scored achievements, which have attracted worldwide attention in accordance with" ... (changing "remarkable achievements" to "achievements which have attracted worldwide attention.")] in accordance with the spirit of the international instruments on human rights such as the UN Charter, the Universal Declaration on Human Rights, the Proclamation of Teheran, and the Vienna Declaration and Program of Action, and in light of China's actual conditions, the spokesman said.

Today, China enjoys political stability, national unity, economic development as well as social progress and its people's living standards have improved steadily, the spokesman noted.

However, at the current session of the UN Commission on Human Rights, a small number of Western countries, in total disregard of these facts, tabled again an Anti-China draft resolution in an attempt to pressure the Chinese Government and interfere in China's internal affairs. The fact that Western countries suffered repeated defeats in their Anti-China draft resolutions in the past several years proves that it is unpopular to apply double standards on the human rights issue and politicize it, the spokesman said.

It also shows that differences on this issue can only be properly addressed through dialogues on the basis of equality and mutual respect under the guidance of the principles enshrined in the UN Charter. "China is ready to work together with the international community for the promotion and protection of human rights," the spokesman said.

China Urges Cooperation in Promoting Human Rights

OW0803111295 Beijing XINHUA in English 1019
GMT 8 Mar 95

[FBIS Transcribed Text] Geneva, March 7 (XINHUA)—A Chinese representative called here today for strengthened international cooperation based on an equal footing and mutual respect in protecting and promoting human rights.

"If human society is to make any headway in protecting and promoting human rights and carry that cause to the

21st century, it is of utmost importance that states should show mutual respect and seek common ground while reserving their differences as a means of furthering cooperation among them," said Zhang Yishan, alternate representative of the Chinese Delegation to the 51st session of the UN Human Rights Commission.

Zhang said that the international community should treat various categories of human rights in a comprehensive and objective manner, without any selectivity.

International cooperation in protecting human rights should be based on an equal footing and mutual respect, he said.

"Powerful countries should not seek to impose their will on the weak ones," he added.

The Chinese representative also said that one should recognize the particularity and differences pertaining to the conditions of each country and should not regard oneself as the embodiment of virtue or seek to impose one's will on others.

He said that respect for human rights should not be used as a pretext for interfering in others' internal affairs and practicing hegemonism and power politics.

Referring to the work of the UN Human Rights Commission, the Chinese representative urged the commission to "abandon its past course of action by refraining from fostering further antagonism among states and turning confrontation to dialogue and cooperation."

The commission's annual session began on January 30 and is expected to end on March 10.

Envoy to Copenhagen Summit on Antipoverty Efforts

OW0703143395 Beijing XINHUA in English 1340
GMT 7 Mar 95

[FBIS Transcribed Text] Copenhagen, March 7 (XINHUA)—China, with a population of 1.2 billion, has made marked progress in alleviating poverty and is set to basically eliminate the social woe by the year 2000, a senior Chinese government official said here today.

"Over the years, China as a developing country has made unremitting efforts to eradicate poverty, increase employment and realize social integration," said Hao Jianxiu, vice chairperson of the Chinese delegation, at the meeting of high-level government representatives of the World Summit for Social Development.

Since the founding of the People's Republic of China, especially over the past 16 years of reform and opening up, Hao noted, the Chinese government and people have been making great efforts in developing economy and eliminating poverty.

"As a result, she said, "the problem of poverty, which was never resolved in China's history, has been alleviated markedly."

Hao pointed out that during the period from 1987 to 1992, the Chinese government reduced its rural population living in poverty from 250 million to 80 million.

"With only 7 percent of the world's total cultivated land, we are providing for 22 percent of the world's entire population," she said proudly.

Despite such amazing achievement in reducing poverty, Hao stressed, her country still faces a very heavy task in the years to come. China is determined to basically resolve this social problem by the year 2000, she declared.

"Our objective is to enable the people of the whole country to live a fairly comfortable life and to have basically eliminated absolute poverty throughout China by the year 2000," she said.

To achieve this goal, Hao went on, China is implementing a national program of "providing adequate food, clothing and shelter" by the year 2000 for the remaining 80 million poverty-stricken Chinese.

At the meeting, the Chinese official also briefed representatives of other countries on the primary measures taken by the country against poverty.

According to Hao, one major measure is helping poor areas to develop local economy, such as setting up township and village factories, instead of mere relief provision.

Meanwhile, great efforts have been made in improving the infrastructure in poor areas including transportation, telecommunication and water conservancy.

Moreover, the government has tried to improve the quality of the population by strictly enforcing a family planning program and vigorously developing education.

Other measures include encouraging developed areas to assist under-developed areas, urging various sectors to join the campaign against poverty, advocating self-reliance and hard work and strengthening the government's role in poverty alleviation.

On behalf of the Chinese government, Hao also put forward a few suggestions to help lead the more than 1 billion poverty-stricken people all over the world out of their present situation.

First of all, Hao emphasized, elimination of poverty is a requirement for guaranteeing the right to subsistence. Therefore, no nation should prevent other countries, especially developing ones, from making economic development their central task.

Economic development is a major way to eliminate poverty, Hao continued. But she added that only by proceeding from its actual national conditions can a country find a correct way to develop its economy, eradicate poverty and achieve prosperity.

In addition, she said, elimination of poverty needs not only organization and help by all governments, but also international cooperation and more contribution from the developed countries.

The Chinese official also expressed sincere thanks to some international organizations, including the World Bank and the UN Development Program, for their assistance to China.

The week-long World Summit for Social Development, starting on Tuesday [7 March], focuses on three subjects—eradication of poverty, promotion of productive employment and social integration.

Role of Copenhagen Summit on Development Viewed

*HK0803075895 Beijing CHINA DAILY in English
7 Mar 95 p 4*

[CHINA DAILY commentary: "World Summit"]

[FBIS Transcribed Text] The World Summit for Social Development, which opened yesterday in Copenhagen, is a milestone in the United Nations' 50-year history.

Prompted by increasing desire for better livelihood, the United Nations is shifting its attention from traditional peace-keeping to social development as a whole. Such a move should be helpful in ensuring the United Nations play a more active role in rapidly changing world affairs.

State and government leaders from more than 130 countries are expected to attend the summit, which will concentrate on topics such as alleviating poverty, expanding productive employment and enhancing social integration.

Chinese Premier Li Peng will address the summit, clarifying the Chinese Government's position on these issues.

Believing that the goal of socio-economic development will promote comprehensive human advancement, the Chinese Government has always attached great importance to social development.

The Chinese have long held that economic growth and social development are interdependent and mutually enhancing. Economic growth is the prerequisite and foundation of social development, while the latter is the objective of the former.

To meet the basic demands of the Chinese people and their growing material and cultural needs, top priority should be unwaveringly given to economic development. Only when economic advancement has attained a fairly high level will it be possible for China to gradually eliminate poverty and raise public living standards.

However, as has been proved, economic growth cannot automatically bring about social development. If not well coordinated, even high speed economic growth may fail to address such problems as damage to the natural

environment, frequent disasters, dwindling natural resources, and rapid population growth.

To ensure a healthy socio-economic development, simultaneous advancement has been stressed in China with impressive progress achieved. The national economy has grown rapidly, population growth has slowed, more jobs have been created and quality of living has improved.

With a population of 1.2 billion, of which 80 million are still struggling to make ends meet, China is challenged by the tasks of eliminating poverty and finding jobs for all able hands.

Taking on its responsibility to achieve common prosperity, the Chinese Government is working to eliminate poverty in the country before the end of this century. Special poverty alleviation funds have been allocated and favourable policies worked out, while thousands of specialists have been sent to the poverty-stricken areas to provide help.

While governments at all levels will play the leading role, support to the needy should come from all corners of society. Successful non-governmental programmes to help school dropouts in poor rural areas, and similar aid programmes for laid-off workers, show that we individuals can do our part in solving problems.

However, due to varying histories, cultural backgrounds and economic development levels of different nations, advocacy for a unified development model would be unwise and unpractical. It is only natural that each nation should adopt a social development strategy with distinctive national features, adapted to its actual conditions.

International co-operation, however, will be indispensable in tackling many common problems confronting the world today.

China, like others, has benefited from such co-operation, and has pledged to contribute its bit to world peace and development.

It is our hope that government leaders from all participating nations, by sitting together for discussions on the issues concerning world social development, will make concerted efforts to make the summit a success and thus lead the world to becoming a better place to live.

Talks Held With Pakistan, CIS States on Transit

*OW0703164695 Beijing XINHUA in English 1526
GMT 7 Mar 95*

[FBIS Transcribed Text] Islamabad, March 7 (XINHUA)—A four-nation conference to finalize the Transit Trade Agreement among Pakistan, China, Kazakhstan and Kyrgyzstan opened here today.

The three-day conference would finalize the highway trade route among the four countries.

Leader of the Pakistan delegation and Secretary of Communication Mohammad Sher Khan [name as received] said that Pakistan has embarked upon an ambitious program of road network construction.

Leader of the Chinese delegation Li Juchang said that the proposed agreement would lay a very good foundation for promoting transit trade to the mutual benefit of the four nations on the basis of equality.

He said China was ready to play its due role for the promotion of quadrilateral trade and commerce.

He said Karakorum Highway in the northwest border of China is the marvelous masterpiece of endeavors made by highway construction experts of Pakistan and China.

It is a matter of satisfaction, said the Chinese delegate, adding this highway is becoming a medium of international trade.

Transport Minister of Kazakhstan Serik Qarabatyruly Alighozhanov, who is leading his country's delegation at the conference, expressed the confidence that the agreement would facilitate transit trade in the interests of all the four regional countries.

Minister for Transport of Kyrgyzstan described the agreement as significant for consolidation of economic relations among the four countries. The Transit Trade Agreement among the four states will be signed Thursday [9 March] on the conclusion of the conference.

United States & Canada

Kantor, Wife To Visit Beijing 11-13 Mar

OW0803094695 Beijing XINHUA in English 0939
GMT 8 Mar 95

[FBIS Transcribed Text] Beijing, March 8 (XINHUA)—Micky Kantor, U.S. Trade representative, and his wife will pay a visit to China from March 11 to 13, leading a US presidential mission.

Kantor and his wife will make the trip at the invitation of Wu Yi, Chinese Minister of Foreign Trade and Economic Cooperation (MOFTEC).

A senior MOFTEC official said that Kantor's visit is to take place as Sino-US economic and trade ties are at a critical juncture [XINHUA Domestic Service in Chinese at 0930 GMT on 8 March provides vernacular for the phrase "critical juncture" that reads: ...zhong yao shi ke 6850 6008 2514 0466...], just after the two countries reached an agreement on Intellectual Property Rights (IPR).

It has been learned that during his stay in Beijing, Kantor will continue to exchange views with Chinese departments concerned on issues of common concern, and that he is scheduled to officially sign the recently-reached

Sino-US IPR agreement, and a Sino-US memorandum on agreement regarding international trade in commercial launching services.

Li Lanqing Meets US Visitor

OW0803112195 Beijing XINHUA in English 1059
GMT 8 Mar 95

[FBIS Transcribed Text] Beijing, March 8 (XINHUA)—Chinese Vice-Premier Li Lanqing met with Jack Wirts, acting president of the Conference Board of the United States, here today.

Wirts is here as guest of the China Society for Strategy and Management Research.

Chi Haotian Meets Former U.S. Defense Secretary

OW0803140095 Beijing XINHUA in English 1330
GMT 8 Mar 95

[FBIS Transcribed Text] Beijing, March 8 (XINHUA)—Chinese State Councillor and Minister of National Defense Chi Haotian met with Dick Cheney, former secretary of defense of the United States, and his party here today.

Cheney, now a member of the Board of Directors of the Morgan Stanley Group Inc. is here on a three-day visit as guest of the Chinese People's Institute of Foreign Affairs.

During the meeting Chi said that both China and the United States are countries with worldwide influence, and that there have been quite a lot of ups and downs in the progress of their relations.

However, it has been proved that friendly co-operation between the two countries is not only in the fundamental interests of the two peoples, but also conducive to peace, stability and development in the Asia-Pacific region as well as in the world as a whole, Chi said.

He expressed the hope that sustained and steady friendly co-operation could be maintained between the two countries.

Also, he voiced his appreciation for Morgan Stanley's active approach in terms of investment in China.

For his part, Cheney said that his company is fully confident about the future of China and that it hopes to contribute to the realization of the country's goals.

Article Says U.S. Human Rights Report 'Distorts Facts'

HK0803075995 Beijing CHINA DAILY in English
7 Mar 95 p 4

[Article by Xiao Bian from the "Opinion" page: "US Report on Rights Just 'Distorts Facts'"]

[FBIS Transcribed Text] The part about China in the 1994 "Human Rights Report" issued by the US State Department last month distorts facts and confuses right with wrong.

This consensus emerged from a seminar held last weekend in Beijing, sponsored by the China Society for Human Rights Studies.

Scholars from Beijing-based universities and research institutes participating in the symposium strongly condemned the US for rudely interfering in China's internal affairs.

The China Society for Human Rights Studies, a non-governmental organization, was set up last March at the proposal of scholars and experts from a group of universities, research institutes, trade unions and the women's federation.

Zhu Muzhi, president of the society, said that the country has made great achievements in human rights protection during the past decades.

With a population of 1.2 billion, 22 percent of the world's total, and with only 7 percent of the world's arable land, China has paid high attention to improving the quality of life of its citizens—which is the core of human rights, said Zhu.

Thanks to the economic reform during the past 15 years, the living standard of Chinese people has been greatly improved. It has epitomized the improvement of human rights in the country, Zhu added.

Moreover, the Chinese Government has continued its efforts on the advancement of human rights for its citizens in other aspects. They include a poverty-alleviation drive, legal system improvement and Project Hope, a programme aimed at helping dropouts in poor areas return to school.

Zhu noted that there are still big differences on the human rights issue between China and the United States, as well as between the US and many other countries in the world.

The Chinese Government maintains that having dialogue on the basis of equality is the only way to reduce controversies and disputes about human rights. And the stand taken by the Chinese Government has won wide support from the international community, Zhu said.

Chen Zhishang, a professor from Beijing University, pointed out that the document, which is published by the US Government every year, represents American interference in China's internal affairs. The report is an unwarranted attack on China using the tactic of distorting facts and confusing right with wrong, he said.

The report of the US State Department is contradictory to the United Nations Charter and UN resolutions because of this intervention, Chen added.

Zhang Hongyi, a professor with Beijing Normal University, said the real aim of the US Human Rights Report is to deteriorate the ideological system of China.

Due to American animosity and anxiety towards communism, the US would set many obstacles for the Chinese Government.

Zhang said the US report is a typical example of hegemonism, which has already aroused sharp criticism from many countries.

Gu Chunde professor with the People's University of China, said that the report disregards the basic indices for evaluating China's social conditions such as the ratio of criminals to the whole population and the rate of recidivism among those who have been released from prison.

"These figures in China are far lower than those in the United States," Gu said.

Gu admitted that there are a few judicial personnel who use unprincipled measures on prisoners such as bodily punishment, but this is strongly opposite to the country's law.

During five years, some 2,000 cases involve the misbehaviour of judicial personnel, Gu added. And those people had received their due punishment.

Shes-Rab Nyi-Ma, a Tibetan associate professor with the Central University for Nationalities, said that great changes have taken place in Tibet Autonomous Region and that the people there have led better lives under the leadership of the Chinese Communist Party.

He noted that the Tibetan people would never stand for any attempt to split the country and make the issue of Tibet an international one using the excuse of human rights.

U.S. Considers Easing Sanctions on Cuba

OW0803010795 Beijing XINHUA in English 2239
GMT 7 Mar 95

[FBIS Transcribed Text] Washington, March 7 (XINHUA)—Reports here showed that the United States is considering easing some economic sanctions imposed on Cuba last year, but the White House said President Clinton has not yet reviewed the matter.

White House Press Secretary Mike McCurry confirmed today that there has been an ongoing discussion among the president's foreign policy advisers on how to "promote and nurture economic and political change in Cuba."

He indicated that they had been looking at such things as lifting the ban on cash remittance by Cubans in the U.S. to their relatives on the island and loosening restrictions on travel to Cuba by U.S. Citizens.

These sanctions were added by the Clinton administration last summer to tighten pressure on the Cuban government to stop the flow of illegal migrants to the United States.

"The president would have to review any recommendations and approve them, and to my knowledge, he has not taken the matter up," he said.

He also indicated that the U.S. embargo on Cuba imposed more than 30 years ago would not be affected by the review of the administration's Cuban policy.

"There's no suggestion that I'm aware of anywhere in this government that that (embargo) be relaxed," and that remains the "centerpiece" of the U.S. strategy towards Cuba, he noted.

The State Department Spokeswoman Christine Shelly quoted Secretary of State Warren Christopher as saying earlier today that "there's no consideration of making changes to the Cuban Democracy Act at this time."

Northeast Asia

Qian Qichen Meets With Japanese Official

OW0203144995 Beijing XINHUA in English 1433
GMT 2 Mar 95

[FBIS Transcribed Text] Beijing, March 2 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met here today with Horoshi Fukuda, Deputy Minister of the Japanese Foreign Ministry, who is here for the regular consultation between the Sino-Japanese foreign ministries.

Qian said that this year is the 50th anniversary of the victory in the anti-fascist war, as well as of the founding of the United Nations, for which the international community will hold various memorial services, and added that China hopes that these activities will go smoothly.

This year's meeting of Asia-Pacific Economic Cooperation (APEC) and the third APEC informal summit will be held in Osaka, Japan. Qian told Fukuda that China hopes that these meetings will be successful and that APEC actions will constantly advance and not go backwards.

Fukuda reiterated Qian's view, saying that Japan's basic stance is that of promoting friendly ties with China in a forward looking manner based on historical introspection. He stressed the fact that Japan is willing to forge close ties with China, and also told Qian that Japan hopes that the APEC meeting will be of successful with China's help.

Chinese Vice-Foreign minister Tang Jiaxuan and Fukuda held the 14th regular consultation between Sino-Japanese foreign ministries, during which they exchanged views on matters of common concern and reached a consensus on a number of issues.

Zou Jiahua Meets Head of Japan's Casio Corp.

OW0303133895 Beijing XINHUA in English 1322
GMT 3 Mar 95

[FBIS Transcribed Text] Beijing, March (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Kazuo Kashio, President of Japan's Casio Corporation, here this afternoon.

Zou said that Japan has the advantages of advanced technology, management, and capital, while China has a large market, and added that it would be to the benefit of both sides to expand cooperative relations.

Kashio expressed the desire to jointly develop new electronics products with China.

After the meeting, Casio Cooperation [as received] presented 50 sets of LT-70 TV phones and seven FV-600 large-screen television sets to China's State Council.

Ismail Amat Meets DPRK Friendship Association Group

OW0403042295 Beijing XINHUA in English 0346
GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (XINHUA)—Chinese State Councillor Ismail Amat met here this morning with a delegation from the Korea-China Friendship Association led by Choe Hui-chong, chairman of the Scientific and Technological Cooperation Committee of the Democratic People's Republic of Korea (DPRK).

Extending his welcome to Choe who was newly appointed Chairman of the Korea-China friendship association, Ismail Amat said that China will, as always, support the efforts made by the people of the DPRK in realizing their country's reunification and promoting national economy.

The delegation came here for a visit as guest of the Chinese People's Association for Friendship with Foreign Countries.

Liaoning Governor Receives DPRK Trade Delegation

SK0703082195 Shenyang LIAONING RIBAO in Chinese 28 Feb 95 p 1

[FBIS Translated Text] Wen Shizhen, governor of Liaoning Province, received in the Youyi Guest House of Shenyang Cho Won-myong, president of the International Trade Promotion Association of the DPRK, and his entourage on 27 February.

During the reception, Cho Won-myong extended thanks for the enthusiastic hospitalities given to them during their visiting tours in the province and expressed full confidence in the broadening of economic and trade cooperation with China and particularly with Liaoning Province. In describing the trade cooperation conducted

by the province and the DPRK over the past two years, Wen Shizhen stated: Liaoning is the closest neighboring province to the DPRK. The potential for economic and trade cooperation is great. Liaoning is preparing to hold economic and trade talks and an exhibition of commodities in Pyongyang within the year.

Meanwhile, he urged the Korean side to dispatch a special fact-finding group to make tours on the light industry in the province and so as to discuss cooperative projects regarding light industrial technologies and equipment.

Near East & South Asia

Governor Ruan Chongwu Meets Israeli Ambassador

HK0803092895 *Haikou Hainan People's Radio Network in Mandarin* 2300 GMT 26 Feb 95

[FBIS Translated Text] Governor Ruan Chongwu met the visiting Israeli Ambassador to China, Moshe Ben Ya'akov, in the Chaojiangchun Guest Hall of the International Commercial Building in Haikou City yesterday afternoon [26 February]. Both sides exchanged views on issues such as economic cooperation.

Ruan Chongwu said: Hainan and Israel have huge potential for cooperation in economic and many other fields. He hoped that cooperation and exchange in this regard will be continuously strengthened. He also briefed the guests on Hainan's agricultural development, investment environment, and other developments.

The four-member party of Moshe Ben Ya'akov visited Hainan at the invitation of Governor Ruan Chongwu. The purpose of their visit was to promote bilateral economic and technological cooperation. They were also to make an on-the-spot investigation of the province's high-efficiency agriculture and farm produce processing industries.

Persons in charge of relevant provincial departments Chen Ci, Gu Yuanyang, and Wang Jingang were present at the meeting.

Chen Muhua Meets Kuwaiti Women's Delegation

OW0603121895 *Beijing XINHUA in English* 1122 GMT 6 Mar 95

[FBIS Transcribed Text] Beijing, March 6 (XINHUA)—Chen Muhua, vice-chairperson of the Standing Committee of the Chinese National People's Congress (NPC) and president of the All-China Women's Federation (ACWF), met with a Kuwaiti women's delegation and hosted a dinner in their honor here this evening, and they exchanged opinions on issues of common concern.

The 10-member delegation led by Gemaila Sabah, daughter of the Heir Apparent and Prime Minister of Kuwait, arrived here Sunday at the invitation of the ACWF. This is the first delegation sent to visit China by

the Union of the Kuwaiti Women Association since it was founded in July last year.

Sino-Indian Border Meeting Ends 4 Mar

OW0803063895 *Beijing XINHUA Domestic Service in Chinese* 2225 GMT 4 Mar 95

[FBIS Translated Text] New Delhi, 4 Mar (XINHUA)—On 4 March, the three-day third Sino-Indian diplomatic and military experts group meeting on the border issue ended.

In accordance with the Agreement on Maintenance of Peace and Tranquility in Border Areas Behind the Line of Actual Control signed by China and India in September 1993, the two sides conducted in- debt discussions on how to settle such issues as the troops of the two sides in individual areas being too close to each other, differences over the line of actual control in parts of areas, and reduction of armed forces by both sides in border areas.

Wang Chungui, deputy director of the Asian Affairs Department of the Chinese Foreign Ministry, and Menon, joint secretary of the Indian External Affairs Ministry, led their delegations to participate in the discussions on behalf of their respective governments. Wang Chungui said: The discussions were held in a frank, sincere, and friendly [tan cheng you hao di 0982 6134 0645 1170 4104] atmosphere. At the end of the discussions, the two sides agreed to continue to discuss the above-mentioned issues later this year.

Haider, foreign secretary of the Indian External Affairs Ministry, met with Wang Chungui today.

XINHUA English on Meeting

OW0403152695 *Beijing XINHUA in English* 1450 GMT 4 Mar 95

[FBIS Transcribed Text] New Delhi, March 4 (XINHUA)—A three-day Sino-Indian joint experts group meeting ended here today after thrashing out nuts and bolts in implementing the 18-month-old Peace and Tranquillity Agreement signed during Indian Prime Minister Narasimha Rao's visit to Beijing in 1993.

The meeting started Thursday with the Chinese delegation led by Deputy Asian Department Director of the Foreign Ministry Wang Chungui and the Indian delegation headed by Shiv Shankar Menon, joint secretary in the External Affairs Ministry.

Wang Chungui told XINHUA that measures and means of resolving issues regarding the status of being "too close from each other" by military forces of the two countries in certain sections along the Sino-Indian actual control line were discussed at the meeting.

Other topics discussed included how to solve differences in defining the actual control line as well as reduction of the two countries' military forces in the border areas.

Wang who arrived here late Wednesday night at the head of a nine-member delegation said the meeting was held "in a frank and goodwill atmosphere."

India and China have more than 4,000 kilometer border line. Peace and tranquillity have remained in the border areas ever since the two countries started to improve their neighborly relations several years back.

The signing of the agreement in 1993 on maintaining peace and tranquillity along the areas of actual control line further improved the border situation.

China and India held their last meeting in Beijing last year and another meeting to seek a settlement of the issues discussed during this round of meetings and establish confidence-building measures would be held later, but the date is yet to be fixed, Wang said.

Further on Meeting

BK0803074795 Beijing China Radio International in Hindi 1500 GMT 5 Mar 95

[FBIS Translated Text] The third meeting of the Sino-Indian Experts Group comprising of military personnel and diplomats was held in New Delhi 2-4 March. The meeting held in-depth discussions on the implementation of the Peace and Tranquility Agreement along the Line of Actual Control on the Sino-Indian border signed in Beijing in September 1993 and solution to the problems of proximity of military units of the two countries in some areas.

The newly appointed Indian foreign secretary, Haider, met with all the members of the Chinese delegation during the meeting.

Song Jian, Indian Envoy Attend Protocol Signing
OW0603050995 Beijing Central Television Program One Network in Mandarin 1100 GMT 3 Mar 95

[Announcer-read report over video; from the "National Hookup" program]

[FBIS Translated Text] A Sino-Indian protocol on protecting tigers was signed in Beijing today.

State Councillor Song Jian and Indian Ambassador to China Dasgupta attended the signing ceremony [video shows a Chinese official and the Indian ambassador signing a protocol and Chinese and Indian officials applauding when they exchange the protocol; video then cuts to show State Councillor Song Jian shaking hands and exchanging pleasantries with Ambassador Dasgupta, and having an informal meeting with him].

Source Reports 2 U.S. Diplomats Killed in Karachi
OW0803073595 Beijing XINHUA in English 0719 GMT 8 Mar 95

[FBIS Transcribed Text] Islamabad, March 8 (XINHUA)—Two of three American diplomats were killed this morning on their way to the consulate of the United States in Karachi, southern Pakistan.

A reliable source told XINHUA that some unidentified gunmen opened fire with sophisticated weapons on the diplomats' car.

The third diplomat received a bullet wound while his colleagues lost their lives.

The driver escaped unhurt. Yet it is not known if the driver is a Pakistani or an American.

The U.S. Embassy in Islamabad is said to have confirmed the incident. But they did not disclose the names of the victims.

There is no comment on the incident from the embassy at the moment.

It is the first time this year that diplomats were killed in Karachi.

The law and order situation in Karachi, Pakistan's commercial and industrial center, keeps worsening in the past few weeks.

About 60 people have lost their lives in a new wave of violence in the troubled city since February 25 this year.

Consular Convention With Pakistan Ratified
OW0703131495 Beijing XINHUA in English 1226 GMT 7 Mar 95

[FBIS Transcribed Text] Islamabad, March 7 (XINHUA)—China and Pakistan today exchanged the instruments of ratification of the consular convention here in the foreign office.

Pakistani Foreign Secretary Najmuddin A. Sheikh and Chinese Ambassador Zhou Gang exchanged the documents on behalf of their respective countries.

The convention shall enter into force on April 6, 1995.

Commenting on the event, Chinese consular officials said it will further strengthen the traditional friendly Sino-Pak relationship.

The convention will provide further protection to their respective citizens in each other's territories and improve consular work.

The convention is a supplementary document to the consular convention signed between the two countries in Vienna in 1963.

NPC

Zhu Rongji Calls For Stabilizing Rural Policy

OW0703145295 Beijing XINHUA in English 1403
GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—Zhu Rongji, Chinese vice-premier, said here today that the central policy on rural work, especially on reform of the grain, cotton and chemical fertilizer marketing system, should be upheld, stabilized and improved.

Zhu, also member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, said this during panel discussions with deputies to the National People's Congress (NPC) from Hunan and Yunnan provinces.

He said the correct and practical central policy has raised the enthusiasm of farmers and the purchase of grain and cotton this year was faster than last year.

The vice-premier disclosed that the State Council will define the policies on grain, cotton and chemical fertilizer at a meeting to be called soon.

The party policy on rural work is beneficial to the development of central and western areas, ethnic minority-inhabited areas and border areas, Zhu said.

The CPC Central Committee and the State Council will grant preferential policies to these areas on key construction projects and financial payment.

Qiao Shi Stresses Importance of Agriculture

OW0703175495 Beijing XINHUA in English 1702
GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—The efforts to develop agriculture should never be slackened, said Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress (NPC), said here today.

"China is a vast country with a huge population and its efforts on agriculture should not be slackened at any time," he said while deliberating Premier Li Peng's government work report in a panel discussion with NPC deputies from northwest China's Gansu Province.

The central government has always attached importance to agriculture and rural work, and China has focused the breakthrough of its reforms on agriculture after the third plenum of the 11th Central Committee of the Communist Party of China in 1978, he said.

He stressed that the foundation of all reforms and the development of all undertakings hinges on agriculture. "The report reaffirmed the importance of agriculture and put it on top of the work agenda," he noted.

"Whatever problems there might be, we must do a good job in developing agriculture," he said.

Referring to reforms in large and medium-sized state-owned enterprises, Qiao Shi said that localities should explore their own ways to carry out reforms in state-owned enterprises in line with their own conditions. They should also learn from the advanced experience of other areas to deepen their own reforms.

Citing Gansu as a province of multi-nationalities, Qiao Shi said that strengthening the unity of various ethnic groups is of great importance to the promotion of local economic development and social progress.

Li Peng Views East-West Economic Growth Gap

OW0703164095 Beijing XINHUA in English 1443
GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—Chinese Premier Li Peng said here today that the gap in economy between the eastern and western regions of the country should be tackled earnestly and great efforts should be made to boost economy in ethnic minority regions.

Premier Li Peng made this remark during a group discussion with other deputies to the National People's Congress (NPC) from the Ningxia Hui Autonomous Region, Qinghai and Shaanxi provinces of northwest China.

The premier said, "We should not only acknowledge the difference, but also create conditions to reduce it." The Party central committee and State Council have been paying close attention to the issue. And the central and local authorities should take joint actions. A series of policies in this regard have already been mapped out, he said.

He said people should look at the gap between the east and the west from a scientific and historic point of view, for it has been left over by history. In addition, people in underdeveloped areas must not lose sight of their own development and changes.

The premier said the government has formulated policies to help the western areas to develop local economies and offered assistance in funds and technology.

The central government encourages the exchanges and cooperation between the rich and poor regions, he said, adding that the underdeveloped regions should heighten their confidence and adopt a self-reliance and hard-working approach.

The premier also said that areas like Ningxia and Qinghai should pay special attention to national unity. Developed economy is the base for unity among different ethnic groups, according to the premier.

Today the premier also joined discussions with Anhui deputies and expressed his views on the development of agriculture, a key issue which he gave much weight in his work report delivered on Sunday [5 March].

Ningxia NPC Deputies Tell Qian Qichen of East, West Gap

HK0803110595 Beijing ZHONGGUO XINWEN SHE in Chinese 1355 GMT 6 Mar 95

[By Chen Jian (7115 1696): "Ningxia Delegates Hope the Government Will Pay Attention to the Gap Between East and West China"]

[FBIS Translated Text] Beijing, 6 Mar (ZHONGGUO XINWEN SHE)—Today was the first day of group discussions at the Third Session of the Eighth National People's Congress [NPC] and Qian Qichen, State Council vice-premier, came to sit in with the delegation from Ningxia. Deputies from the autonomous region spoke one after another, expressing their hope that the central government would pay attention to the gap between the eastern and western parts of the country.

Dong Jialin, NPC deputy and director of the Ningxia Huizu Autonomous Region Planning Committee, said that 27 percent of the people in Ningxia are still living below the poverty line while, when looking at the country as a whole, only 7.5 percent of the population are classified as poor. In villages in the autonomous region, the net annual income per capita is less than three-quarters of the average national level, while in its cities the net annual income per capita is only a little more than four-fifths of the average national figure.

Ma Changyi, NPC deputy and commissioner of Yinnan Prefecture said that the ministries and commissions of the central government should place importance on the question of how to speed up the economic development of the central and western parts of the country which are mainly populated by ethnic minorities. Under the same conditions, he said, they should give more support to projects in these regions.

Apart from that, the deputies generally praised the government work report for being realistic, modest, and pragmatic, as well as being perceptive in analyzing problems and courageous in shouldering responsibility.

Hu Jintao Discusses Li Peng's Report With Deputies

OW0803005595 Beijing XINHUA Domestic Service in Chinese 1250 GMT 6 Mar 95

[By RENMIN RIBAO reporter Ren Weidong (0117 5898 2639) and XINHUA reporter Zheng Qingdong (6774 1987 2639)]

[FBIS Translated Text] Beijing, 6 Mar (XINHUA)—Tibet Autonomous Region's deputies attending the Third Session of the Eighth National People's Congress [NPC] deliberated Premier Li Peng's government work report this afternoon. As an ordinary NPC deputy, Hu Jintao, member of the Standing Committee of the CPC Central Committee's Political Bureau and Secretariat, attended the discussions and voiced his views.

In their speeches, deputies held: Premier Li Peng's government work report objectively and practically summarized last year's work, and the arrangements he made for this year's work are precise and offer us guidance. They are also in line with Tibet's practical situation.

Deputy Gyaincain Norbu, chairman of the Tibet Autonomous Regional Government, said: Premier Li Peng's government work report is practical and inspiring. Last year, like other provinces and regions in China, Tibet made new progress in reform and opening up and in various construction undertakings; enjoyed economic development, social stability, and national unity; and people of all nationalities there lived and worked in peace and contentment. This year, centered around goals put forward in Premier Li Peng's government work report, we must proceed from Tibet's practical situation, carry out various tasks, and make new contributions to quickening development and to promoting stability in Tibet.

Deputy Luosang Gyaincain, secretary of the Nagqu prefectural party committee and assistant director of the Nagqu administrative office; and deputy Xiangba Pingcuo, secretary of the Shannan prefectural party committee and assistant director of the Shannan administrative office, said: In his government work report, Premier Li Peng stressed the importance of making great efforts in developing agriculture and in strengthening the status of agriculture as the foundation of the national economy. Agriculture and animal husbandry are the basic sectors of Tibet's economy and the basis for Tibet's national economic development. We must take concrete measures to accelerate the development of agriculture and animal husbandry to ensure sustained, rapid, and healthy economic development in Tibet.

After attentively listening to the deputies' talks, Hu Jintao said: The CPC Central Committee and State Council attach great importance to work in Tibet and care about people of all nationalities. The Third Tibet Work Conference, which was held last year, offered guidance for accelerating development, maintaining stability, and safeguarding social order in Tibet. The achievements in Tibet's work in the past year showed the guidelines and policies concerning Tibet's work that were formulated by the CPC Central Committee and State Council are correct.

Hu Jintao said emphatically: This year is the 30th founding anniversary of the Tibet Autonomous Region. We must unite as one, continue efforts, and follow the favorable trend to strive to accelerate development and maintain stability. We must make efforts to further develop Tibet's economy and safeguard social order to greet the 30th founding anniversary of the autonomous region with new achievements in construction, maintaining stability, and attaining prosperity.

Pagbalha Geleg Namgyai, vice chairman of the NPC Standing Committee, attended the discussions.

Liu Huaqing on Army-Building, Jiang's Taiwan Speech

OW0803012195 Beijing XINHUA Domestic Service in Chinese 1229 GMT 6 Mar 95

[By reporter Luo Yuwen (5012 3768 2429)]

[FBIS Translated Text] Beijing, 6 Mar (XINHUA)—Liu Huaqing, member of the Standing Committee of the Political Bureau of the CPC Central Committee and vice chairman of the Central Military Commission, today spoke during a group discussion of the People's Liberation Army [PLA] delegation to the National People's Congress [NPC]. He stressed the army should vigorously strengthen efforts to raise its quality; follow Comrade Deng Xiaoping's thinking on army building during the new period; Comrade Jiang Zemin's general demand on the army as mentioned in his "five sentences" [all army units must be qualified politically, competent militarily, have a fine work style, maintain strict discipline, and be assured of adequate logistical support]; strengthen ideological and political work; raise the ideological and political qualities of officers and soldiers; give full play to our army's special political advantage in a better way; and further promote the revolutionized, modernized, and regularized building of the army.

Liu Huaqing said: Premier Li Peng's government work report is practical and encouraging. The tasks on national defense and army building defined in the report are in full accord with the true conditions of the army. He said: In the course of carrying out reform, opening up, and promoting modernization in our country, we must always adhere to the policy of grasping the two links and attaching equal importance to both, and strengthen the building of spiritual civilization. This is a very important matter and we must not slacken our efforts at any time. To strengthen the building of spiritual civilization, we must seriously do a good job in conducting ideological and political education. Comrade Jiang Zemin recently called for conducting education on patriotism, a revolutionary outlook on life, respecting cadres and cherishing soldiers, and hard struggle. This is a basic project to strengthen the ideological and political building of the army, enhance its rallying power, and raise its fighting strength in the new period. To do a good job in conducting ideological and political education, the most fundamental thing is to enable the broad masses of officers and soldiers to enhance their understanding of the party's basic line and various principles and policies; to actively plunge themselves into the great cause of building socialism with Chinese characteristics; and to firmly take the socialist road with Chinese characteristics. We should justly and forcefully explain the great principles, ensure great principles prevail over small principles, and encourage the broad masses of officers and soldiers to dedicate themselves to national defense and do pioneering and hard work. All members of the army should link their own future and fate to that of the nation, be glad to make sacrifices for the prosperity of

the country and happiness of the people, adopt a correct attitude toward the readjustment of interests in the course of building a socialist market economy, and consciously put the interests of the country and collective above those of individuals and families. We should firmly bear in mind the goal of serving the people wholeheartedly, foster revolutionary values and outlook on life, understand who we are serving and fighting for, and forever maintain the true qualities of our army. We should, through powerful ideological and political work, raise the political consciousness of the broad masses of officers and soldiers, and enhance their power to resist decadent ideology and culture.

Liu Huaqing pointed out: A very important point regarding army building in Premier Li Peng's report is the need to attach importance to improving the army's quality and taking the road of building crack troops with Chinese characteristics. This is in complete accord with Comrade Deng Xiaoping's thinking on army building during the new period. As early as 1975, Comrade Deng Xiaoping put forward the viewpoint that the army should be "small in number but highly trained." He has made a series of important instructions on how to improve the army's qualities, penetratingly pointed out the basic law for army building in peacetime, and showed us the correct road to promote the modernization of our army. Comrades of the whole army, especially leading cadres at senior and middle levels, must penetratingly understand Comrade Deng Xiaoping's theses on attaching importance to quality in army building and further unify their thinking. To improve the army's qualities, we should proceed from the true conditions of military units, pay attention to actual results, distinguish between different levels of importance, and guard against empty talk and seeking only a good appearance. In military units, the main thing is to strengthen preparations against war, attach importance to education and training, and strive to achieve the best combination of men and weapons. We should pay particular attention to the management and protection of weapons and equipment, and fully exploit their capabilities.

Liu Huaqing also said: On the eve of Spring Festival, Comrade Jiang Zemin delivered an important speech on continuing the struggle to promote the realization of the great cause of reunifying the motherland. In his speech he further explained the essence of Comrade Deng Xiaoping's thinking on "peaceful reunification and one country and two systems"; and put forward a series of suggestions and views on developing relations between the two sides of the strait and promoting the reunification of the motherland in light of current relations between the two sides and the changing international situation, with a view to promoting the all-around revitalization of the Chinese nation in the 21st Century. This is an important policy declaration of the CPC and Chinese Government on realizing the great cause of reunifying the motherland under new historical conditions. President Jiang's speech has great immediate meaning and is of far-reaching historical significance. It

has been warmly welcomed by compatriots on both sides of the strait, compatriots in Hong Kong and Macao, and Overseas Chinese. It has also been highly commended by international public opinion. All the officers and men of the Chinese PLA firmly support President Jiang's important speech.

PLA Leaders Address NPC Panel Discussions

OW0803102395 Beijing XINHUA Domestic Service in Chinese 1344 GMT 6 Mar 95

[By reporter Luo Yuwen (5012 3768 2429)]

[FBIS Translated Text] Beijing, 6 Mar (XINHUA)—This afternoon, [National People's Congress] Deputies Zhang Zhen and Chi Haotian, respectively vice chairman and member of the Central Military Commission [CMC], spoke during separate group discussions with People's Liberation Army [PLA] deputies.

In his speech, Zhang Zhen said: The year 1995 is an important year for continuing the program of reform, opening up, and modernization. In the Government Work Report, Premier Li Peng pointed out: "We must uphold the principle of waging arduous struggles and building the country through thrift and hard work for a long time to come, and oppose extravagant and wasteful practices." The armed forces should become a model in waging arduous struggles. At present, they must promote the spirit of waging arduous struggles, subordinate themselves to the overall situation of national construction, and persist in gearing their actions to the overall situation. We should educate officers and men about keeping the cardinal principles in mind, taking the overall situation into account, taking a correct approach toward interim difficulties, conscientiously sharing the cares and burdens of the party and state, and dedicating themselves to the cause of national defense. We underscore the need to wage arduous struggles not only because we are short of military expenditures but also because this practice reflects the true political qualities of our armed forces, and is a major issue that has a direct bearing on whether our armed forces can stand the test of new challenges and maintain the People's Army's character. It is also the basis of spiritual civilization and an important aspect of the even-handed, two-pronged approach. If we discontinue the practice, various unhealthy tendencies—such as money worship, hedonism, and individualism—will spread in the armed forces, which will lose the cohesion and fighting power that are expected of them. We should carry forward the spirit of waging arduous struggles and pass it on from generation to generation. Leading cadres at all levels must act exemplarily. For our part, we people's deputies should assume responsibility for exercising supervision.

Zhang Zhen said: In his report, Premier Li Peng urged the entire nation to wage extensive and thoroughgoing activities aimed at supporting the government, cherishing the people, supporting the army, giving preferential treatment to the families of revolutionary armymen

and martyrs, and promoting joint army-civilian efforts in the pursuit of spiritual civilization; and to consolidate the army's unity with the government and people. This is an important condition for improving upon the excellent situation and overcoming interim difficulties. To strengthen the army's unity with the government and people, we must first promote unity within the armed forces, and maintain and carry forward our armed forces' fine tradition of forging unity between officers and men. We should conduct in-depth education on the goal of serving the people wholeheartedly, and share weal and woe with the people at all times. The PLA and the People's Armed Police Force must proceed from the overall situation of safeguarding reform, development, and stability; resolutely follow the command of the party Central Committee and the CMC with Comrade Jiang Zemin as the core; and strive to complete all tasks entrusted to our armed forces by the party and people.

Chi Haotian said: In the Government Work Report, Premier Li Peng pointed out that we should intensify national defense modernization, and that governments at all levels and all citizens should heighten their sense of national defense, show concern for the cause of national defense, and support army building. This is a major issue that has a bearing on the country's long-term peace and stability. A strong sense of national defense is both the ideological basis of successful national defense construction and a concrete reflection of the patriotic spirit. Without a sense of national defense and a sense of hardship, a country or a nation cannot enjoy long-term stability and development. A strong sense of national defense originates from in-depth, universal, solid, and effective national defense education. Under the unified leadership of local party committees and governments at all levels, and through close cooperation among the party, government, soldiers, workers, youth, and women, we should fully harness forces in all segments of society and carry out national defense education through various means—the press, radio, the publishing industry, cinema, and television—to enhance the people's sense of national defense and patriotic spirit.

Chi Haotian said: In the report, Premier Li Peng emphasized the need to build strong national defense reserve forces. This is an important matter of national defense mobilization that has a bearing on the country's security and on the success or failure of future warfare. Our country has a glorious tradition and its own characteristics in national defense mobilization. Since the Third Plenary Session of the 11th CPC Central Committee, we have made new progress in national defense mobilization, improved the system that combines militia and reserve duties, and achieved remarkable results in mobilizing troops to carry out economic endeavors, to beef up people's air defenses, and to put communications facilities in a state of war preparedness. As the situation has evolved, however, current national defense mobilization plans cannot meet the requirements for developing the socialist market economy and for waging modern, high-technology local warfare. We still have to carry out

plenty of work in order to build a national defense mobilization system that is consistent with socialist market economic development and modern, high-technology local warfare while carrying forward the fine tradition.

Chi Haotian also expressed his views on protecting military installations. He said: Military installations are an important part of the combat effectiveness of the armed forces. We must correctly handle the relationship between reform, opening up, and the protection of military installations, and apply various means—education, management, and punishment—to protect military installations in accordance with the law. We should pay attention to publicity about the protection of military installations, improve the management of existing military installations, and mete out punishment in accordance with the law regarding the destruction of military installations.

The PLA is an important component of national defense forces, a staunch guard who defends the people, and a great wall of steel that guards the motherland. In the new year, our armed forces should raise the banner of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and, under the leadership of the party Central Committee and the CMC with Jiang Zemin as the core, they should resolutely subordinate themselves to the overall situation of economic construction; firmly safeguard central authority; strengthen military modernization in an all-round manner in accordance with the general demand for "political reliability, military competence, a fine work style, strict discipline, and adequate logistic support"; and strive to improve our overall defensive and offensive capabilities under modern conditions. Moreover, we should regard the protection of people's interests as our own duty; play an active role in key state construction projects and disaster relief and rescue operations; "share weal and woe" with the people; provide strong security guarantees for reform, opening up, and economic construction; and make even greater contributions to the motherland's prosperity.

Beijing To Control Urban Unemployment Rate

*OW0703122695 Beijing XINHUA in English 0806
GMT 7 Mar 95*

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—The Chinese government plans to keep the unemployment rate in the urban areas at three percent this year, on the same level of last year.

At a press conference held today, Labor Minister Li Boyong said that the government attaches great attention to the unemployment problem and is working hard to create more jobs.

China will develop more small and medium-sized enterprises, especially those in service trades, to absorb urban laborers in the cities and towns.

Talking of the more than 100 million surplus laborers from the rural areas, Li said the government encourages the development of township enterprises, which can provide jobs to them.

He pointed out that a blind flow of rural laborers has yielded an unfavorable impact on the urban areas. About 25 million rural laborers moved to urban areas.

To solve this problem, the government has taken measures to encourage their orderly flow, such as issuing employment cards to them.

With regard to social distribution, Li said that unfair distribution does exist at present and the government is totally against it. The Chinese government is coordinating the efforts of various departments to solve this problem, he added.

Planning Minister Chen Jinhua Urges Enterprise Reform

OW0703133895 Beijing XINHUA Domestic Service in Chinese 0738 GMT 6 Mar 95

[FBIS Translated Text] Beijing, 6 Mar (XINHUA)—Chen Jinhua, minister in charge of the State Planning Commission, said today: Promoting the reform of state-owned enterprises, which is aimed at creating a modern enterprise system, is the focal point of this year's economic structural reform, as well as the tough aspect of the entire reform program. Therefore, we should work hard to create the necessary macroeconomic environment for deepening the reform of state-owned enterprises.

In his "Report on the Implementation of the 1994 Plan for National Economic and Social Development and the Draft 1995 Plan for National Economic and Social Development" delivered at the Third Session of the Eighth National People's Congress, Chen Jinhua said: Deepening the reform of state-owned enterprises and changing the operating mechanisms have an immediate impact on the vital interests of workers and staff at large and on the stability of society. While enterprises themselves should work hard, the state should create the necessary macroeconomic environment in various fields for carrying out the reform. He added: We should expedite the transformation of government functions according to the principle of separating government administration from enterprise management by reducing unnecessary administrative interference so that enterprises can carry out production and operations independently according to market demand in a true sense. The state will mainly supervise enterprises in their work to maintain and increase the value of state-owned assets and to pay taxes according to the law, and in their observance of state laws and regulations.

Chen Jinhua emphasized: We should step up the effort to upgrade the technology of enterprises, should support their effort to closely combine and integrate restructuring, reorganization, and technical transformation;

and should guide state-owned enterprises to optimize their organization and build up their ability to keep up with changes and to compete in the market. We should adopt the necessary policy measures to help enterprises broaden their scope of production and operations and to divert surplus personnel. In cities and localities where conditions permit it, we should turn over some middle and primary schools, hospitals, and other public welfare institutions run by selected enterprises to local governments to manage, thereby exploring ways to separate enterprises' role in society from their operational activities. We should study ways to properly solve the problem of enterprises' excessive debts, and we should gradually set up a system for putting capital into large and medium state-owned enterprises as well as a mechanism for enterprises to increase and supplement circulating funds at their disposal. We should reinforce the discipline in financial settlements and should actively implement the method of using commercial vouchers in settlements.

He pointed out: In conjunction with the readjustment of the industrial structure, we should establish bankruptcy mechanisms, and we should shut down some enterprises, suspend some enterprises' operations, merge some enterprises, and convert some to other lines of production in a guided and systematic manner. We should gradually establish and improve the social security system, in focusing on old-age pensions and unemployment and health care insurance systems.

He added: Creating the necessary macroeconomic environment for deepening the reform of state-owned enterprises is an important aspect of strengthening and improving macroeconomic regulation and control.

XINHUA Replaces Item on News Conference

Original Version

OW0803063095 Beijing XINHUA Domestic Service in Chinese 1001 GMT 7 Mar 95

[By reporters Li Nanling (2621 0589 3781) and Zhang Jinsheng (1728 6930 0524); Beijing XINHUA Domestic Service in Chinese at 1514 GMT on 7 March transmits a service message requesting that the following item be replaced]

[FBIS Translated Text] Beijing, 7 Mar (XINHUA)—This morning, the Information Center of the Third Session of the Eighth National People's Congress [NPC] and the Third Session of the Eighth Chinese People's Political Conference [CPPCC] National Committee held a news conference for foreign and Chinese reporters at the International Hotel. Wang Zhongyu, minister in charge of the State Economic and Trade Commission, and Minister of Labor Li Boyong were invited to answer reporters' questions on the reform of state enterprises and the social security system.

The current condition of state enterprises, especially large and medium state enterprises, which are important pillars of China's national economy, and their prospects for development attracted people's attention. Many reporters asked questions in this regard at today's news conference. Wang Zhongyu said: After 16 years of exploration and practice, China's state enterprises have undergone considerable changes. As they have continued to deepen reform and change mechanisms, some existing problems and contradictions have become more and more acute. Deepening reform is the way to resolve these problems.

While briefing reporters on the losses of large and medium state enterprises, Wang Zhongyu said: State enterprises' current losses are relatively serious. However, their overall economic performance is somewhat better than the previous year. In the first quarter of 1994, 49.6 percent of all state enterprises were losing money. However, at the end of 1994, only 34.3 percent were in deficit, down 15.3 percent. Compared with the same period of 1993, the amount of state enterprise losses increased 79.6 percent in the first quarter of 1994. However, at the end of 1994, this had only increased 7.9 percent over that of 1993, an actual decrease of 71.8 percent. In the first quarter of 1994, profit-making state enterprises were registering a decline in profits. However, at the end of 1994, their profits increased 10.6 percent. The above figures show that state enterprises have improved their overall efficiency, but some are still facing very serious losses.

Wang Zhongyu emphatically pointed out: Strictly speaking, it is not scientific to use the overall profit-loss accounting concept to measure an enterprise's performance, because such a system does not take into account a money-losing enterprise's assets, number of staff members and workers, and the amount of value it has created. In fact, even though 34.3 percent of all state enterprises were in deficit in 1994, the figure drops to less than 20 percent when we take into account the value of their assets. In 1995, the state will strive to resolve enterprises' losses.

Wang Zhongyu maintained: Many factors have led to enterprises' losses. They include enterprises' maladjustment while changing their operating mechanisms, product mixes unsuitable for market demand, excessive stockpiles, debts, and mismanagement. He emphatically pointed out: Mismanagement has been a very important factor leading to enterprise losses. Therefore, China will strictly implement scientific management as an important link in reversing enterprises' losses in 1995.

In response to a reporter's question on debt chains among enterprises, Wang Zhongyu said: There were many factors for the debt chains. (1) The scale of fixed asset investment was overextended, and capital was not readily available. According to statistics, as of the end of 1994, projects under construction throughout the country needed a total of more than 3,000 billion yuan in

investment, of which 100 billion yuan had not yet been committed. (2) Products were unmarketable, thus causing stockpiles. The value of overstocked goods at the end of 1994 increased about 100 billion yuan from that at the beginning of the year. (3) Funds at the disposal of enterprises were insufficient. Many enterprises had less than 10 percent of the funds that should be under their disposal; therefore, they could not but overspend their circulating funds. (4) Enterprises have a weak market and creditability concept. He added: We have adopted numerous measures to solve the problem of debt chains among enterprises. The situation has somewhat improved since last October. However, much remains to be done in order to solve the problem once and for all.

Fielding a question about measures to be taken to declare bankruptcy of some enterprises that have been running in the red for a long time and have no hope of stemming deficits, Wang Zhongyu said: A pilot project for merging and declaring bankruptcy of hopelessly deficit-ridden enterprises whose assets are not sufficient to repay debts will be carried out in 18 cities this year. For this experiment, the State Council has provided clear stipulations that the property of bankrupt enterprises should be used first for resettling workers and then the remaining be used for repaying debts. In this sense, the bankruptcy and merger of enterprises is in itself a process of readjusting product mix and the production structure. It is also a readjustment of the internal structure of enterprises as well as a project for reemployment.

In response to a question on unemployment and the resettlement of surplus workers, Li Boyong said: The Ministry of Labor has worked together with the relevant departments in making ample preparations to control unemployment in urban areas to under 3 percent. Specific measures to be taken include creating jobs by developing various types of small and medium enterprises, especially labor service enterprises, and recruiting workers to join the work force. In addition, arrangements will be made for some surplus workers to find new jobs through the "reemployment project."

Discussing the question of surplus labor in rural areas, Li Boyong said: The number of surplus laborers in rural areas is indeed enormous at the present. There were 20 million migrant laborers from rural areas in 1993; and the figure rose to 25 million in 1994 and is expected to reach 30 million this year. The large numbers of migrants from rural areas have brought about a number of problems in cities. So far, we have adopted measures in two fields. (1) An effort has been made to ensure orderly movement of migrant laborers from province to province according to demand; and this has already yielded initial success. (2) A very important task of the government is to develop, in depth and from a long-range view, areas of employment for rural laborers. Since the beginning of 1991, the relevant departments have conducted a study on intensive development of rural laborers and experimented on a pilot project in 50 counties and eight provinces with the aim of creating

jobs for rural laborers at a deeper level by vigorously developing village and township enterprises so as to absorb surplus labor locally. Through exploration over four years, the pilot project has yielded initial results and is ready for popularization throughout the country.

Replacement Version

OW0803063195 Beijing XINHUA Domestic Service in Chinese 1514 GMT 7 Mar 95

[By reporters Li Nanling (2621 0589 3781) and Zhang Jinsheng (1728 6930 0524); Beijing XINHUA Domestic Service in Chinese at 1514 GMT on 7 March transmits a service message requesting that the above-mentioned item be replaced by the following]

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The current condition of state enterprises, especially large and medium state enterprises, which are important pillars of China's national economy, and their prospects for development attracted people's attention. Many reporters asked questions in this regard at today's news conference. Wang Zhongyu said: After 16 years of exploration and practice, China's state enterprises have undergone considerable changes. As they have continued to deepen reform and change mechanisms, some existing problems and contradictions have become more and more acute. Deepening reform is the way to resolve these problems.

While briefing reporters on the losses of large and medium state enterprises, Wang Zhongyu said: State enterprises' current losses are relatively serious. However, their overall economic performance is somewhat better than the previous year. In the first quarter of 1994, 49.6 percent of all state enterprises were losing money. However, at the end of 1994, only 34.3 percent were in deficit, down 15.3 percentage points. Compared with the same period of 1993, the amount of state enterprise losses increased 79.6 percent in the first quarter of 1994. However, at the end of 1994, this had only increased 7.9 percent over that of 1993, an actual decrease of 71.8 percentage points. In the first quarter of 1994, profit-making state enterprises were registering a decline in profits. However, at the end of 1994, their profits increased 10.6 percent. The above figures show that state enterprises have improved their overall efficiency, but some are still facing very serious losses.

Wang Zhongyu emphatically pointed out: Strictly speaking, it is not precise to use the overall profit-loss

accounting concept to measure an enterprise's performance, because such a system does not take into account a money-losing enterprise's assets, number of staff members and workers, and the amount of value it has created. In fact, even though 34.3 percent of all state enterprises were in deficit in 1994, the figure drops to less than 20 percent when we take into account the value of their assets. The results calculated by these two methods are different. In 1995, the state will strive to resolve enterprises' losses.

Wang Zhongyu maintained: Many factors have led to enterprises' losses. They include enterprises' maladjustment while changing their operating mechanisms, product mixes unsuitable for market demand, excessive stockpiles, debts accumulated from the past, and mismanagement. He emphatically pointed out: Mismanagement has been a very important factor leading to losses in some enterprises. Therefore, China will strictly implement scientific management as an important link in reversing enterprises' losses in 1995.

In response to a reporter's question on debt chains among enterprises, Wang Zhongyu, while discussing the cause of this phenomena, said: (1) The scale of fixed asset investment was overextended, and capital was not readily available. According to statistics, as of the end of 1994, projects under construction throughout the country needed a total of more than 3,000 billion yuan in investment. (2) Products were unmarketable, thus causing stockpiles. The value of overstocked goods at the end of 1994 increased about 100 billion yuan from that at the beginning of the year. (3) Funds at the disposal of enterprises were insufficient. Many enterprises had less than 10 percent of the funds that should be under their disposal; therefore, they could not but divert other funds for use. [sentence as received] (4) Enterprises have a weak market and creditability concept. He added: We have adopted numerous measures to solve the problem of debt chains among enterprises. The situation has somewhat improved since last October. However, much remains to be done in order to solve the problem once and for all.

In answering a reporter's question, Wang Zhongyu revealed that a pilot project for merging and declaring bankruptcy of hopelessly deficit-ridden enterprises whose assets are not sufficient to repay debts will be carried out in 18 cities this year. He said: For this experiment, the State Council has provided clear stipulations that the property of bankrupt enterprises should be used first for resettling workers and then the remaining be used for repaying debts. In this sense, the bankruptcy and merger of enterprises is in itself a process of readjusting product mix and the production structure. It is also a readjustment of the internal structure of enterprises as well as a project for reemployment.

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departments in making ample preparations to control unemployment in urban areas to under 3 percent. Specific measures to be taken include creating jobs by developing various types of small and medium enterprises, especially labor service enterprises, and recruiting workers to join the work force. In addition, arrangements will be made for some surplus workers to find new jobs through the "reemployment project."

Discussing the question of surplus labor in rural areas, Li Boyong said: The number of surplus laborers in rural areas is indeed enormous at the present. There were 20 million migrant laborers from rural areas in 1993; and the figure rose to 25 million in 1994 and is expected to reach 30 million this year. The large numbers of migrants from rural areas have brought about a number of problems in cities. So far, we have adopted measures in two fields. (1) An effort has been made to ensure orderly movement of migrant laborers from province to province according to demand; and this has already yielded initial success. (2) A very important task of the government is to develop, in depth and from a long-range view, areas of employment for rural laborers. Since the beginning of 1991, the relevant departments have conducted a study on intensive development of rural laborers and experimented on a pilot project in 50 counties and eight provinces with the aim of creating jobs for rural laborers at a deeper level by vigorously developing village and township enterprises so as to absorb surplus labor locally. Through exploration over four years, the pilot project has yielded initial results and is ready for popularization throughout the country. More than 400 Chinese and foreign reporters attended the lively news conference.

XINHUA Kills Item on NPC 'Bulletin'

OW0803100395 Beijing XINHUA Domestic Service in Chinese 0206 GMT 8 Mar 95

[By reporter Che Yuming (6508 3768 2494); Beijing XINHUA Domestic Service in Chinese at 0244 GMT on 8 March transmits a service message cancelling the following item]

[FBIS Translated Text] Beijing, 8 Mar (XINHUA)—While more than 2,900 deputies to the Third Session of the Eighth National People's Congress [NPC] break into 127 groups to deliberate the government work report, another 100 or so people work all night long, collecting notes to sort out deputies' views, compiling them into NPC bulletins, and delivering the publication to all delegations and the presidium of the current NPC session.

Hot issues in the current Chinese economic and social life—such as curbing inflation, problems related to agriculture, and the reform of state-owned enterprises—are, without exception, all incorporated into the "Bulletin" [jian bao 4675 1032], edited by the bulletin group of the NPC session's secretariat and published in less than

4,000 copies per issue. There are affirmations of achievements as well as differences of opinions, and even sharp criticisms [jian rui di pi ping 1423 3843 4104 2106 6097].

While expressing satisfaction with the government's candid approach toward price control, some deputies sharply criticized the margin of price increases, which far exceeded the 10 percent target set at the beginning of last year. However, as far as the price issue is concerned, there are two different views. One holds that inflation is unavoidable in the process of developing a market economy; and that the government cannot impose rigid interference to curb price rises, but should do things according to the law governing the market economy. The other is totally different, maintaining that inflation can lower the living standards, dampen the people's investment enthusiasm, and exert a negative influence on economic development; and therefore, should be brought under control.

Observers believe that the "Bulletin,"—of which a total of 34 issues had been published as of yesterday [7 March]—has become a forum for deputies to fully air their views in a democratic way, as well as a bridge between various delegations and between deputies and the presidium.

The publication of the "Bulletin" began since the NPC's inauguration in 1954. According to Professor Cheng Xiangqing, deputy head of the bulletin group and director of the research center of the NPC Standing Committee General Office who has been in charge of the "Bulletin" every year during the NPC session since 1986, the most significant change in the "Bulletin" over the past decade is the decrease of information in general [hui bao 0565 1032] and endorsement statements [biao tai 5903 1966] and the increase of substantive items, including different views and criticisms of government work reports, which are spoken in a forthright way. He added: This shows that deputies have increased their awareness of democracy and the legal system, and have raised the quality of discussing state affairs year after year.

To be "realistic, comprehensive, accurate, and expeditious" is the principle for editing bulletins. The "Bulletin" treats deputies' opinions equally and without discrimination: from deputies at leading posts to those at the grass-roots level, as well as deputies from the coastal developed regions and from the central and western regions and remote areas.

Each issue of the "Bulletin" contains about 1,800 characters. A total of 270 issues in some 480,000 characters are expected to be published during the current NPC session.

Currently there are two main channels for deputies to air views: one through making motions; the other, through speeches during discussions by delegations or group meetings. Since the two supplement each other, the role

of the "Bulletin" cannot be underestimated. According to Cheng Xiangqing, some of the views published in bulletins have become important references for the government to make policy decisions.

Beijing Issues Bulletins Noting NPC Deputies' Views

OW803041095 Beijing XINHUA in English 0343
GMT 8 Mar 95

[FBIS Transcribed Text] Beijing, March 8 (XINHUA)—The Third Session of the Eighth National People's Congress (NPC) is going on in the Chinese capital city of Beijing, and the about 3,000 people's deputies are broken into 172 groups discussing and examining the government work report delivered by Premier Li Peng at a plenary meeting.

To facilitate exchanges among the different groups, special bulletins are issued to record the views of the deputies expressed at group meetings and circulated among the deputies. And to ensure timely exchanges, more than 100 staffers are working day and night to compile, print and circulate the bulletins which are regarded with importance by both ordinary deputies and leaders.

A total of 34 issues of bulletins have been issued after the first two days' discussions.

The views concentrate on curbing inflation, uplifting agriculture, reforming State-owned enterprises, and many other topics of concern to the people, according to informed sources.

The views are very conclusive, said Cheng Xiangqing, who is in charge of the bulletin group under the Secretariat of the NPC session. "Many of the views are very sharp," he added. Each bulletin only has less than 4,000 copies.

Many deputies, for instance, said they appreciated the government's frankness in admitting errors in controlling inflation, but they still blamed the government for setting a control target of the inflation rate at 10 percent last year, saying that figure was "unrealistic".

But opinions of the deputies differ. One said that inflation is unavoidable in the course of building a market economy, citing examples from the history of western countries, and said that the government should let market mechanisms regulate economic operations.

Some other people said that inflation will lower people's living standard, damp people's investment enthusiasm, and result in a negative impact on economic growth, and thus it should be put under control.

On the issue of State-owned enterprises, some deputies asked the government to take more concrete measures.

"The bulletins serve to inform deputies what others are talking at their group meetings," Cheng said. "Many of

the proposals have served as important decision-making references for government leaders. In fact, many views will be adopted in revising the work report which has to get the approval from the session."

Professor Cheng, who is also director of the Research Department of the General Office of the NPC Standing Committee, has been in charge of bulletins for nearly 10 years since 1986. In his eyes, the people's deputies have greatly raised their own ability in examining government affairs.

"I think the deputies have become increasingly aware of their duties and responsibilities," he said.

The guideline of the bulletin is straightforwardness, completeness, accuracy and promptness, giving equal treatment to deputies either from leading posts and the grassroots, from the coastal booming areas and the western and remote areas, Cheng said.

NPC Deputies Propose Revisions for Work Report

OW0803094295 Beijing XINHUA in English 0736
GMT 8 Mar 95

[FBIS Transcribed Text] Beijing, March 8 (XINHUA)—While giving a positive appraisal to Premier Li Peng's Report on the Work of the Government, deputies to the Eighth National People's Congress now in session have proposed many revisions in their panel discussions in the past two days.

When examining the report, some deputies said that the principled statements in the report should be turned into detailed descriptions of concrete and practicable measures.

Referring to governor's responsibility for the "rice bag" and mayor's responsibility for the "market basket", deputies from northeast China's Jilin Province pointed out that their responsibilities are still not clear, saying that nobody is clear how those who fail in the responsibility are penalized.

The report proposes to upgrade the status of community-sponsored teachers to that of regular teachers. However, some deputies said, the pay for the converted teachers will have to be borne by tax payment from enterprises, and this will mean an additional burden for them.

Jiang Yunxian, a deputy from northeast China's Liaoning Province, said that although the development of agriculture is discussed, concrete measures are not always implemented.

Xie Shijie, secretary of the Sichuan Provincial Committee of the Communist Party of China, pointed out that the work report still lacks concrete measures to strengthen agricultural production.

Wang Zhongyu Denies Debt Problems at Capital Steel

HK0803075495 Hong Kong HONGKONG STANDARD in English 8 Mar 95 p 7

[By Wu Zhong in Beijing]

[FBIS Transcribed Text] A senior Chinese official yesterday denied reports that Capital Iron and Steel Corp (CISC), one of the state-owned industrial giants, had a debt of 13 billion yuan (HK\$11.9 billion) and had to borrow 160 million yuan a month to cover its employees' salaries.

"The figures are not correct. CISC's debt is not so big. It owes others but is also owed by others," said Wang Zhongyu, minister in charge of State Commission of Economy and Trade, during a press conference organised by the ongoing National People's Congress (NPC) session.

Mr Wang was also asked why it took the government a long time to reform the CISC leadership, led by Zhou Guanwu.

"The rectification of CISC's leadership was decided by the municipal government of Beijing and the Ministry of Metallurgy jointly," he said.

"Comrade Zhou Guanwu now is 77 and it is normal for him to retire in such an age. He himself also was willing to do so," Mr Wang said.

Mr Zhou was elected to the presidium of the NPC and had been seen attending meetings in the past two days.

Mr Wang conceded that the ailing state sector was being suffocated by excessive debt, growing stockpiles and social welfare liabilities. He said that despite 10 years of mainly hesitant state sector reforms, many state firms had failed to adapt to a market economy and continued to post "serious losses".

"Firms must improve operational mechanisms, change their mind-set to meet market demands and adjust their product structure," Mr Wang said, adding that poor management was a "major contributor" to losses.

While the proportion of losing state firms had fallen to 34.3 per cent last December compared with 50 per cent earlier in 1994, the sector lost 33.6 billion yuan in 1994, a rise of 7.8 per cent on 1993. The value of unmarketable, stockpiled goods rose by 100 billion yuan during 1994. According to the State Statistical Bureau, the debts of 390,000 Chinese enterprises had soared to 600 billion yuan as of November 1994, with 30,000 state-run firms accounting for two thirds of the total.

"Fixed asset investment is still very large in scale and capital cannot be put in place in time," Mr Wang said, adding that the total value of projects under construction by the end of 1994 had risen 31 per cent from the year before to three trillion yuan.

"In the first half of 1994, about 100 billion yuan of accounts payable have not been put in place," he said.

He said state firms striving to streamline operations were being hampered by social welfare obligations, requiring continued financial support for laid-off employees.

Mr Wang said China needed a new indicator to show the real financial situation of state-owned firms, adding it was too simplified to suggest 30 per cent of state firms, mostly, small and medium sized, were losing money.

"If values of production are taken into account, the rate of loss of state firms last year will be about 20 per cent," Mr Wang said.

He said that changing the ownership of state firms was out of consideration this year.

"The focus this year is to learn from experiences in the 100 pilot enterprises and we will not start the reform in ownership across the whole country," he said.

He attributed the thorny problem involving "triangle debts" to three major causes.

"Investment in fixed assets is too big, but much of the capital is not put in place. In 1994, fixed investment boasted three trillion yuan, but by the end of the year, 100 billion in the payable account had not been received. Many regions did not put in real money.

"Also, overstocking of unmarketable goods, which reached about 100 billion yuan last year, is a problem.

"Lastly many enterprises do not have the enough operation capital. Last year, operation capital accounted for only 10 per cent of the enterprise assets on the average."

He said that this year, the government would compel state-owned enterprises to stop producing unmarketable goods and change their production strategy.

Beijing To Implement Accord on Final Appeal Court

HK0803075395 Hong Kong HONGKONG STANDARD in English 8 Mar 95 p 2

[By M Y Sung in Beijing]

[FBIS Transcribed Text] China has reaffirmed its commitment to its controversial accord with Britain on the Court of Final Appeal (CFA).

The director of the Hong Kong and Macao Affairs Office, Lu Ping, said yesterday the 1991 agreement reached by the Sino-British Joint Liaison Group would be honoured whether or not Britain upheld its side of the deal. The accord limits to one the number of overseas jurists who can serve on the five-member court.

The rigid ratio of four locals to one foreigner has angered Hong Kong barristers and divided solicitors who earlier this year consented to the arrangement but not before a feud that very nearly split the Law Society.

At the National People's Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC) yesterday Mr Lu told Hong Kong delegates that the 1991 agreement—which focused mainly on how the court was

to be constituted—was flexible on which judges could be appointed to the elite bench.

He said foreigners practising law in Hong Kong were eligible for the CFA. The only strict nationality criterion applied to the post of chief jurist, who had to be a permanent Hong Kong resident with no right of abode overseas.

NPC Deputies Call For Curbing Extravagance, Waste

OW0703122895 Beijing XINHUA Domestic Service in Chinese 1245 GMT 5 Mar 95

[By reporter Zheng Qingdong (6774 1987 2639)]

[FBIS Translated Text] Beijing, 5 Mar (XINHUA)—"We can never forget that the living standards of some 80 million people in China are still very low. China is a developing country, so how can it afford extravagant lifestyles?" said Deputy Sengqen Lozong Gyaincain, vice chairman of the Tibet Autonomous Regional People's Congress Standing Committee, while anxiously talking with this reporter on some unhealthy trends in society.

Deputy Sengqen Lozong Gyaincain, who came from the roof of the world, said to the reporter indignantly: In recent years, the lifestyles of some people in China have become more and more extravagant. They spend money easily on expensive things, and the problem of wasteful spending is getting more and more serious. I have heard that quite a few people keep dogs that are worth hundreds of thousands of yuan, and the money they spend on dog food is more than other people's daily expenses for food. If we allow this situation to continue, a terrible mess will occur.

"Now, people in China are working together to improve their living standards and become well off. What do I mean by becoming well off? I mean we should have people enjoy adequate food, clothing, and some spare money." said Ningxia University President Zhang Kui, a deputy from Ningxia. He added: At present, the living standards of people in some areas have been improved, and people in most areas are working hard to achieve this goal. However, living standards in some areas are below the poverty line. Take Ningxia, for example, where many poor children cannot afford an education. The Eight-Seven Aid-the-Poor Plan drawn up by the State Council demands we, during the course of seven years, make efforts to fundamentally solve the poverty problem faced by some 80 million people and help them improve living standards by the end of this century. "This plan reminds us that although China has made great progress since reform and opening up, it still has a long way to go to become a genuinely rich country."

Many deputies mentioned that the tendency of spending money lavishly and wastefully to make oneself look good is becoming more and more serious. Even people from developed countries are shocked by the extravagant spending in some areas. Deputy Zhang Fuzhong, party

committee secretary of the Shanghai Kaituo Garment Company, gave an example. He said: Last year a well known Chinese-American was treated to very exquisite and expensive dishes on the mainland. He found it hard to understand and could not help asking "Why do you spend money like this?" A deputy from Liaoning told this reporter: The trend to build luxurious tombs that was popular several years ago has made a comeback. In Shenyang, public graveyards are becoming more and more luxurious, and a good piece of burial ground costs 8,800 yuan!

Deputies pointed out: Extravagant lifestyles can do us a lot of harm. They seriously erode people's aspirations, waste the state's wealth, and consume material and financial resources of society and the state. Worse yet, extravagant lifestyles will make the people fall into the bad habit of spending money wastefully. It is dreadful to contemplate the consequences this will bring about.

"Why would this trend that does the state and the people a lot of harm make a resurgence and become worse with each passing day?" Many deputies are carefully pondering this question. Some deputies said: People think the money they spent wastefully is not theirs anyway, so why care? Some deputies said: Because the current society is changing from an old economic system to a new one and we have not yet established perfect systems, formulated perfect regulations, and set up flawless supervisory organs to check this unhealthy trend. Some people are good at taking advantage of loopholes in various regulations and are able to make a killing by cheating, evading tax, embezzling, and taking bribes. Since these people become rich effortlessly, they just spend their money carelessly on eating, drinking, entertainment, and other things. Moreover, corruption and the abuse of power that occur frequently despite repeated crackdowns encourage the trend of wasting money on big banquets, expensive gifts, and extravagant consumption.

Deputies said it is time to earnestly curb the unhealthy trend of extravagant spending. If we study history carefully, we will learn that diligence and frugality help countries and families become successful, and extravagance leads countries and families to failure. Deputies to the National People's Congress [NPC] from all over the country called on society to curb extravagance and value frugality from now on, and to stop spending money wastefully.

Jiangxi Secretary Urges Faster Agricultural Growth

HK0703130995 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 6 Mar 95

[FBIS Translated Text] According to special staff reporter Yu Wei from Beijing, when attending the panel discussion of the provincial delegation on Li Peng's government work report this afternoon, Mao Zhiyong, the secretary of the provincial committee and chairman of the Standing Committee of the provincial people's

congress who is now attending the on-going Third Session of the Eighth National People's Congress in Beijing, stressed: We should base ourselves on Jiangxi Province's own conditions, accelerate agricultural development, and make Jiangxi shine brilliantly again.

Mao Zhiyong said: Premier Li Peng's government work report is realistic, encouraging, and good. I am all for it and support it, and I will implement it in my work in the days to come.

From the angle of curbing inflation, Mao Zhiyong expounded on, and proved the importance of strengthening agriculture's status as the foundation of the national economy. He said:

Judging from the relationship between the vigorous increase of the effective supply of agricultural products and demand-driven inflation, the state of the supply and demand of agricultural products has the most sensitive impact on commodity prices. Any supply shortage will disturb people and drive commodity prices up. If the effective supply of agricultural products is secured, this will provide a necessary material foundation for halting price increases.

Judging from the relationship between the vigorous increase of the effective supply of agricultural products and capital-driven inflation, the prices of agricultural products constitute the foundation for the prices of social commodities. When the prices of agricultural products rise excessively rapidly, this will push the prices of social commodities up in the form of capital-driven inflation. The effective solution is to further increase the output of agricultural products and to optimize the product mix.

Judging from the relationship between the vigorous development of agriculture to increase the peasants' income and the support of industrial development to prevent economic stagflation, the state of the peasants' income and purchasing power has a direct impact on industrial development and market prosperity.

Last year, our province's industry developed relatively rapidly. This was determined by the quite rapid increase in peasants' income and the opening up of rural markets to a greater extent. Practice has shown that strengthening and developing agriculture is a requirement for the peasants' achieving a well-to-do standard of living, and also for our meeting the increasingly growing needs of people's lives. At the same time, it is also a requirement for our safeguarding of the overall situation of reform, development, and unity.

Mao Zhiyong pointed out: Jiangxi is a predominantly agricultural province. Last year, it reaped another bumper harvest, following five successive years of bumper harvests. As a main grain-producing area and an important pig-farming base, Jiangxi has shipped a certain amount of grain, live pigs, and other agricultural products to the state and to fraternal provinces and

municipalities every year in the past. In the days to come, we should continue striving to contribute to the state. Therefore, strengthening and developing agriculture is the inevitable choice of basing ourselves on Jiangxi Province's own conditions, and also the objective demand of submitting ourselves to the overall national situation. Now the general principles and policies concerning agricultural development have been set. What counts is implementing them to the letter. We should grasp the present opportune time, when the demand for agricultural products is strong and the peasants have greater enthusiasm for production, strive to do a good job in various fields, and further accelerate the development of agriculture and the rural economy in accordance with the requirements set out in Premier Li Peng's report.

Noncommunist Officials Address News Briefing

OW0703141395 Beijing XINHUA Domestic Service in Chinese 1501 GMT 6 Mar 95

[By reporters Hu Qinghai (5170 3237 3189) and Zhou Changxin (0719 7022 2450)]

[FBIS Translated Text] Beijing, 6 Mar (XINHUA)—At a news briefing attended by nearly 100 Chinese and foreign reporters today, Wang Wenyuan, deputy procurator general of the Supreme People's Procuratorate and vice chairman of the Jiusan Society Central Committee, said: China's anticorruption drive is aimed at both "flies" and "tigers" but is focused on the latter, paying particular attention to investigating and punishing crimes committed by leading cadres.

At the news briefing, sponsored by the press center for the "Two Sessions," Wang Wenyuan; Xu Jialu, vice chairman of the China Association for Promoting Democracy Central Committee; Feng Zhijun, vice chairman of the China Democratic League Central Committee; and Liu Heng, vice chairman of the China Democratic National Construction Association Central Committee; fielded reporters' questions on the democratic parties' participation in the administration and discussion of state affairs, and other issues.

Wang Wenyuan said: It is alleged that the anticorruption drive is to shoot only "flies," not "tigers." I deem such an allegation a kind of misunderstanding. Whoever breaks the criminal law must be brought to justice. Cases handled by the procuratorial organs involve ordinary people in charge of money and goods as well as officials in high positions, and with power. He added: We have attached great importance to the anticorruption drive because it has a vital bearing on the people's support and social stability. Along with the deepening of reform and construction of the legal system, corruption cases in China will gradually decrease.

In response to reporters' questions about relations between the ruling party and parties participating in government administration, as well as their participation

in the administration and discussion of state affairs, Feng Zhijun said: The CPC is the ruling party and the democratic parties participate in government administration. The system of multi-party cooperation and political consultation led by the CPC, which China implements, is not decided by an individual; it is a historical choice of the Chinese people, which took shape in the practice of revolution and construction over several decades. The CPC's long-term coexistence and mutual supervision is conducive to China's development. The democratic parties partake in government administration mainly through participation and supervision.

Fielding questions on major suggestions by the democratic parties in 1994, and whether they were adopted by the CPC Central Committee and the State Council, Xu Jialu said: Last year was a year in which China scored new achievements in reform, opening up, and economic and social development; it was also a year in which the democratic parties took new strides in conducting investigation and study for making suggestions and proposals. The democratic parties' suggestions and proposals were submitted to the central or local level. Generally speaking, major suggestions of overall importance were related to the government's work and hot and difficult issues among the public. In making suggestions, democratic party leaders would first personally go deep into the reality to conduct investigation and study, and then make suggestions to the CPC Central Committee and the State Council in the name of the democratic party central committee. For example, chairperson Lei Jie-qiong of the China Association for Promoting Democracy Central Committee personally conducted investigations in the Hunan and Jiangsu countrysides, and made suggestions for developing economy and education in rural areas, and for harnessing the Dongting Hu lake. As I understand, the democratic parties made 28 major suggestions last year, which received keen attention from the CPC Central Committee and the State Council. Some have been adopted, and others are still being studied.

A reporter asked Liu Heng: As a democratic party leader, you have assumed the post of vice president of the China Textile Federation. Do you have the powers commensurate with your position? Liu Heng said: People of the democratic parties and without party affiliation who have assumed government posts are vested with powers as well as responsibilities. Without the powers commensurate with a post, it is impossible to do a good job at the post and to carry out the responsibilities. As a vice ministerial-level cadre appointed by Premier Li Peng, I make decisions when I can on matters in administrative work assigned to me.

Sichuan Secretary Xie Shijie Discusses Crop Problems

OW0703143795 Beijing XINHUA in English 1320 GMT 7 Mar 95

[("Planting More Grain Crops is Consensus Between Government and Farmers—Dialogue Between Provincial Party Secretary and Farmer"—XINHUA headline]

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—With an investigation report in hand, Dai Xianlu, a farmer from Renshou County in southwest China's Sichuan Province, knocked at the door of the hotel room where Xie Shijie, secretary of the Sichuan Provincial Committee of the Chinese Communist Party, stays.

Dai and Xie, deputies to the National People's Congress (NPC), are here attending the ongoing annual NPC session. Members of the Sichuan Delegation to the NPC are staying at the Labor Mansion (hotel) in Beijing.

Dai's report is entitled, "Why farmers do not want to plant grain crops?" [as received]

Dai told Xie that the per capita share of grain output in his village, Xiangyou, reached a record 450 kilograms in 1994.

Xie asked: "How about your incomes?"

"This is what we farmers are worried about," Dai answered.

Dai said that since the beginning of 1994, there have been no more IOU notes to farmers and farmers' financial burdens have been reduced.

"The current most evident problem is that the government encourages farmers to plant more grain crops, but nobody can become prosperous by doing so," he said.

He took out a detailed list to compute the costs of plastic sheeting, pesticides and chemical fertilizers needed to plant grain crops.

He noted that a farmer can earn about 200 yuan a year by planting grain crops on one mou of land (one-fifteenth of a ha), less than what a migrant farmer earns a month by working in a factory or doing odd jobs in cities.

"I think there exists unfairness in this," he said.

He continued that the State purchases grain from farmers mostly according to plan, while farmers have to buy agricultural capital goods in the market.

"The government raises grain purchasing prices by several jiao (ten jiao is equivalent to one yuan) every time, while market prices of agricultural capital goods used to go up by several yuan every time," he said.

For instance, prices of chemical fertilizers have doubled to 1,600 yuan a ton in the past two years. "Under these circumstances, how can we farmers have the initiative for grain production?" Dai posed the question.

Xie Shijie, who has been in charge of agricultural work for a long time, said, "I think your problem involves faulty government operations as well as speculators who illegally push up prices of the means of farm production."

"The government encourages farmers to grow more grain crops, while farmers cannot gain tangible benefits by doing so, thus giving rise to a contradiction. I think

first of all the government has the duty to help solve the contradiction. And it will," he said.

He expressed the view that while attaching the utmost importance to agriculture, the government must do "practical things" for farmers so as to arouse their initiative for grain production.

Dai Xianlu said, "Over the last few years much has been said about agriculture, but little has been done."

"Your criticism is to the point. It is now time for the government to take concrete measures," Xie said.

He told Dai that Sichuan Province plans to invest 600 million yuan in agriculture this year, with emphasis placed on spreading the use of fine crop strains and new farming techniques, and the construction of water-control facilities.

Dai said, "We farmers are really happy at these things."

Sichuan is the most populous province in China, with a total of 110 million residents, 80 percent of whom live in rural areas. It covers an area of 570,000 square kilometers, but its per-capita share of farmland is only two-thirds of China's average.

Because of serious natural disasters, Sichuan's grain production fell by two billion kilograms in 1994 over 1992 although last year it was till the nation's biggest grain producer.

In his government work report, Premier Li Peng stressed the importance of introducing the system of a provincial governor's responsibility for the "rice bag"—a project to ensure grain supplies in a province.

Xie told Dai: "The 'rice bag' still has to be filled up by you."

Dai said, "Farmers are the most pragmatic. So long as growing grain crops can increase farmers' incomes, we shall definitely do so."

Xie said that the most important task for Sichuan Province this year is to stabilize grain production and increase farmers' incomes.

He added that to encourage farmers to plant more grain crops, the Sichuan Provincial Government has set ceilings on prices of agricultural capital goods and has decided to lower electricity charges in support of the farming sector.

To meet the target of producing 43.5 million tons of grain this year, the government has also decided to cancel two thirds of economic development zones and return 6,600 hectares of farmland requisitioned to farmers to plant grain crops.

He emphasized that agricultural development requires efforts to increase grain production and farmers' incomes as well.

Construction of towns and small cities is being tried out in Sichuan to promote industrialization and urbanization in rural areas, he said.

Moreover, rural industries are being expanded to enable farmers to work in nearby township factories in slack farming seasons and to do farming in busy seasons, he added.

He expressed the belief that with such development going on, Sichuan will not suffer from insufficient grain supplies in the next century.

Dai Xianlu said that he was satisfied with what Xie had told him, adding: "The government has taken farmers' interests into full consideration. So, we have no reason not to plant more grain crops."

Xie said, "The government works in the interests of the people including farmers, and farmers should support the government. Growing more grain crops is our common objective."

The two NPC deputies talked with each other for about one hour. Bidding farewell to Dai, Xie said, "Now I have made one more farmer friend. You are welcome any time to tell me about what farmers want and hope for."

Xinjiang NPC Delegation Leader Hails National Unity

OW0703130095 Beijing XINHUA Domestic Service in Chinese 0347 GMT 7 Mar 95

[By reporter Liu Guangniu (0491 0342 3662) and correspondent Lou Wanghao (2869 2598 4110)]

[FBIS Translated Text] Beijing, 7 Mar (XINHUA)—While discussing Premier Li Peng's government work report with other deputies, Amudun Niyaz, head of the Xinjiang delegation, commented on unity among various nationalities.

Amudun Niyaz is chairman of the Xinjiang Uygur Autonomous Regional People's Congress Standing Committee. Taking into account Xinjiang's actual conditions, he said: To develop the economy, we must properly facilitate overall unity among various nationalities. In recent years, Xinjiang has established cooperative and mutually-supporting relations to enhance development with more than 20 provinces, municipalities, and autonomous regions, including Guangdong, Shandong, Shanghai, and Beijing. After learning that some rural areas in south Xinjiang did not have the money to drill wells in 1994, the masses in some coastal provinces and cities donated, on their own accord, 15 million yuan for well-drilling projects in south Xinjiang. In recent years, Shandong has sent many vegetable-growers to help Xinjiang properly develop its "vegetable basket" projects. Besides allocating and delivering fertilizer and seeds to Xinjiang, many provinces and autonomous regions have also supplied technical trainers. In 1994, Xinjiang had a bumper harvest of cotton and exported 7 million dans of

quality cotton to other fraternal provinces, municipalities, and autonomous regions so that they could enhance their production. Such supportive and cooperative relations have fostered understandings and friendship between the Han and other minor nationalities.

Deputy Amudun Niyaz said: China is a multiracial country. Only by increasing exchanges and contacts can various nationalities further enhance understanding, mutual support, and cooperation among themselves. As Xinjiang has developed its economy and improved its communications facilities in recent years, it has made more and more exchanges and formed closer and closer ties with other inland areas. While the masses from many other inland provinces, municipalities, and autonomous regions are conducting businesses and operating enterprises across Xinjiang, Xinjiang Uygur peasants are also carrying on business transactions in many localities across China. This has not only promoted economic progress, it has also enhanced cultural exchanges and unity among various nationalities.

He said: With a vast territory and abundant resources, Xinjiang still lacks capital and talented professionals. The gap between Xinjiang and other inland areas has also provided various nationalities with a heart-linking, hand-holding, mutually-supportive, and opportunity for mutual help. Xinjiang welcomes every inland province, municipality, and autonomous region to invest and operate enterprises within its territory, and welcomes various talented professionals to exercise their talents in the region. Meanwhile, Xinjiang will also like to overcome the Tianshan Mountain's obstacles and develop markets in other inland areas.

Deputy Amudun Niyaz said: In recent years, various nationalities in Xinjiang have properly enhanced unity among themselves. The concept that "the Han and other minor nationalities are mutually inseparable" has been gradually ingrained in people's minds. The number of advanced collectives and individuals who have been outstanding in promoting national unity has been rising. Saierjiang, a Kazakh armed policeman, gloriously sacrificed his own life in 1994, while fighting hooligans to protect the life of a Han secretary of a county party committee. We fully realize that to deepen reform and facilitate economic progress, we must have national unity, the foundation of stability. Only after we have properly enhanced national unity can we deepen reform and further facilitate economic development.

Shanghai Party Chief Lauds Li Peng NPC Report

HK0803091495 Beijing ZHONGGUO XINWEN SHE in Chinese 1312 GMT 6 Mar 95

[By Zhang Rongzhou (1728 2837 3166): "Huang Ju Thinks That Li Peng's Work Report Is Solid, Pertinent"]

[FBIS Translated Text] Beijing, 6 Mar (ZHONGGUO XINWEN SHE)—Huang Ju, a member of the CPC Political Bureau and secretary of Shanghai Municipal

CPC Committee, said Premier Li Peng's government work report was well worded, substantial, solid in affirming good performances, and pertinent in discussing existing problems. Huang's view was expressed at a group discussion this afternoon.

He said that among the State Council's many work reports, this year's had devoted most space to analyzing existing problems and their causes, as well as pointing out the inadequacies of the work and making some realistic self-criticism. The leader in the State Council has definitely set a good example, he said, and local cadres should learn from him this attitude of being accountable to the people.

On the work targets for this year, Huang Ju thought the report was precise, especially on the figures related to macroregulation and control. The rate of economic growth had been targeted at 8 to 9 percent, the rate of price rises at around 15 percent, and the amount of fixed assets investment would be capped at 1,700 billion yuan, while last year's figure was more than 1,500 billion yuan. Huang said this kind of fiscal management was appropriately tight with the focus on controlling inflation. These elements are basically interconnected, he said, and the question is how to macrocontrol them, particularly the scale of investment. He said the task would be a demanding one.

In his work report, Li Peng had stated a constant, long-term guiding concept for the country in 20 words. Huang Ju said that this would lay a good foundation for the sustained, healthy, and rapid development of our economy. Besides, he added, on economic growth, this year the priority had been placed on quality and efficiency with effective measures proposed. Huang said the four measures to control inflation included both the concept of quantity and the demand for people to assume their responsibility. The 10 measures dealing with agriculture would not be easy to achieve, he said, but they were realistic, covering the guarantee on the size of farmland, the injection of capital into agriculture, and a distribution system which ties in with production. The report devoted a special section to state-owned enterprises and was particularly comprehensive on several aspects related to the reform of those enterprises and, in Huang's view, the measures mentioned were largely credible and feasible. He said the report had dealt with the subject thoroughly, pointing out that when putting the measures into practice, consideration could be given to the reality in the different localities and priority given to certain aspects to experiment and achieve the best results.

On opening to the outside world, Huang Ju said that Shanghai's deputy to the National People's Congress was particularly happy to hear that the report mentioned that Shanghai's Pudong area would continue to be developed and its facilities enhanced. The report said the area would have an economy based on advanced technology and intensification and would be export-oriented.

Taiwan Authorities Urged To Start Talks

OW0803095695 Beijing XINHUA in English 0833
GMT 8 Mar 95

[FBIS Transcribed Text] Beijing, March 8 (XINHUA)—A senior official on Taiwan affairs called on the Taiwan authorities to start cross-Straits talks as soon as possible to end hostilities between the two sides.

The Taiwan authorities should make a positive response to the proposal made by Communist Party chief Jiang Zemin earlier this year and take the first step toward the peaceful reunification of China as soon as possible, said the official.

Wan Guoquan, vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) and director of the Subcommittee for the Reunification of the Motherland, made the call at a panel meeting at the ongoing session of the CPPCC National Committee here today.

Wan said that, according to Jiang's speech, the two sides can start negotiations under the principle of "One China" and reach agreement to end hostilities and to make plans for further development of relations across the Taiwan Straits.

After that, the two sides can make further talks on the reunification of China on a gradual basis, he said.

"The current situation poses a good chance for the Taiwan authorities to end hostilities between the two sides," he said, adding that cross-Straits relations would not progress until the two sides start negotiations as soon as possible and start the process of peaceful reunification.

The chairman noted that trade and economic relations across the Taiwan Straits grew steadily in recent years and hoped the Taiwan authorities will take concrete action to promote such relations.

In addition, he expressed the hope of enhancing exchanges on a wide-range of trades including science and technology, culture and politics.

But he stressed that the reunification of the motherland is entirely a domestic issue and should be solved by the Chinese people themselves and no foreign interference is allowed.

"All the Chinese people should be united for the national reunification of China and guard against the attempt of split," he said. "Every man has a share of responsibility for that."

'Different Method' To Select Hong Kong NPC Deputies

HK0803075095 Hong Kong HONGKONG STANDARD in English 8 Mar 95 p 1

[By M Y Sung in Beijing]

[FBIS Transcribed Text] A method different from that in force on the mainland will be adopted to select Hong Kong deputies to the National People's Congress (NPC) after 1997, according to Xinhua News Agency director Zhou Nan.

Mr Zhou, a member of the Standing Committee of the NPC, said it was reasonable for the Special Administrative Region (SAR) to have a special way of electing deputies to the Chinese national parliament.

However, he said it was still too early to agree on a format because the next NPC selection process would not be due for three years.

"We are yet to study this question and the Election Law of Local People's Congress recently passed by the NPC Standing Committee has no specific electing method made (for Hong Kong deputies)," Mr Zhou said.

"Anyway, Hong Kong will be an exceptional case."

Mr Zhou said he was only able to affirm, so far, that the Hong Kong NPC deputies would not be included as Guangdong deputies.

Hong Kong will become a Special Administrative Region (SAR) and not an adjunct to the province of Guangdong.

Mr Zhou also would not say how many deputies would be chosen to represent the SAR in parliament.

NPC local deputy Victor Sit earlier submitted a proposal on parliamentary selection in which elements of direct elections would figure. Mr Sit would like to see SAR deputies nominated by directly elected representatives serving in various Hong Kong assemblies. This should ensure that the deputies enjoy a popular mandate, however vicarious.

Mr Zhou declined to speculate whether direct elections would be adopted in some ways in choosing SAR deputies. He did say a specific method was necessary and it need not be similar to that allowed in China because the SAR would be a highly autonomous entity within one country.

"Since Hong Kong will be a Special Administrative Region, it needs a special rule to elect deputies to the NPC," Mr Zhou said.

NPC Hong Kong deputy Peter Wong said he agreed deputies from the territory should be elected in some form. He also believed in political evolution, starting perhaps with indirect elections and progressing to universal franchise.

Lu Ping, Zhou Nan Comment on Hong Kong Election

HK0703150195 Beijing ZHONGGUO XINWEN SHE
in English 1305 GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (CNS)—The Director of Hong Kong and Macao Affairs Office under

the State Council Mr. Lu Ping who is here attending the current session of the National People's Congress (NPC) expressed his opinion on the just ended elections for the urban and regional councils in Hong Kong.

In reply to questions raised by reporters, Mr. Lu said that many friends of the Mainland took part in the election. Even though the Chinese government is opposed to the political proposal put forward by Hong Kong governor Chris Patten, the election is, however, legitimate under the legal system of the territory. The Chinese official said that the election was held according to local law to which the Mainland side does not necessarily agree. Mr. Lu noted that judging from the outcome of the election in which candidates who are considered patriots took part and showed excellent performance, the results reflected the tendency of popular feelings.

The Director of the Hong Kong branch of the New China News Agency Mr. Zhou Nan who is the Hong Kong deputy to the NPC said that though the Chinese side was resolutely opposed to Patten's political package, Hong Kong residents and those from social groups who are patriots could exercise their civil rights by means of participating in the election and accumulate political experience. Initial results showed that the patriotic political force registered better performance and than in the past, according to Mr. Zhou. [sentence as received]

The Chinese official was convinced that most of Hong Kong people hoped to have communication and cooperation rather than confrontation with the Mainland side. He said that they hoped to witness peaceful transition and maintenance of prosperity and stability of the territory.

Zhou Nan Calls Elections 'Unfair'

HK0703153295 Hong Kong TA KUNG PAO in Chinese
7 Mar 95 p A2

["Special dispatch" by staff correspondent Liu Yueh-ying (0491 4727 3841): "Zhou Nan Reiterates That Urban and Regional Councils Will Not Make the Transition Beyond 1997"]

[FBIS Translated Text] Beijing, 6th—Zhou Nan, member of the National People's Congress [NPC] Standing Committee and director of the XINHUA News Agency's Hong Kong Branch, stated here today in reply to a reporter's question his views on Hong Kong's Urban Council election results. He does not yet know the full election results, but judging from information provided by reporters, the patriotic and Hong Kong-loving force, as a whole, has become stronger than it used to be. He also stressed that the present three-tier electoral structure is based on the "three violations" model of the British Hong Kong authorities. The structure itself is unfair; it will not make the transition beyond 1997.

Zhou Nan made these statements today after attending a plenary meeting of the Third Session of the Eighth NPC. He pointed out: "We have to wait for the election results,

but according to what you (reporters) have said, the patriotic and Hong Kong-loving force, as a whole, has become stronger than it used to be."

He stressed: "The present three-tier electoral structure is being conducted on the 'three violations' model of the British Hong Kong authorities. The structure itself is unfair; as it consists of 'three violations,' it cannot make the transition beyond 1997. The NPC Standing Committee, as you all well know, has passed a resolution on this matter."

Zhou Nan stated that despite this fact, patriotic and Hong Kong-loving associations and independents in Hong Kong all were willing to participate actively in the polls with a view to gaining experience. "Speaking personally, I feel that this stands to reason because they are only exercising their civil rights."

Asked about the poll violence, Zhou Nan said that as he had not witnessed it, he was not in a position to comment. He said, however, that all violence is bad.

Deputies to NPC Urge Implementation of Rural Policy

HK0803110495 Beijing XINHUA Domestic Service in Chinese 1437 GMT 4 Mar 95

[By reporters Xu Jiangshan (1776 3068 0810) and Su Jie (5685 2638)]

[FBIS Translated Text] Beijing, 4 Mar (XINHUA)—When the recent Central Rural Work Conference ended, deputies from all localities gathered in Beijing to attend the Third Session of the Eighth National People's Congress [NPC]. These reporters visited a number of peasant deputies coming from the rural grass-roots levels. They expressed their innermost feelings as follows: To attach importance to agriculture, the key lies in implementation.

"Indulging in idle talk will harm the country while doing solid work will make the country prosperous; it is shameless to engage in empty talk but glorious to do practical work." Talking about the Central Rural Work Conference, deputy Zhou Xingrong, a sturdy peasant from Hengyang's Tanzishan Township, Hunan, said excitedly: General Secretary Jiang made a very good speech at the conference. He expressed our innermost feelings. The key lies in implementation!

Long Shouhong is a rural deputy from the mountain areas in west Hunan. In connection with the practice over the years, this bold and vigorous woman expressed her views: The rural situation becomes excellent when the central policy of attaching importance to agriculture is implemented at the basic levels. When the central authorities issued a series of "No. 1 Documents" a few years ago, which were implemented by the cadres level by level, the peasants' enthusiasm was aroused.

Fujian deputy Wu Xiaokai started his topic from the less enthusiastic peasants in the coastal areas. He said: In recent years, the central authorities have made some decisions on strengthening agricultural work. However, the cadres in some localities merely shouted empty slogans and failed to adopt forceful measures. Some simply read the document from beginning to end. How can the backward outlook of these areas change in this way?

How should central policies be effectively implemented exactly as they are? This question raised by these reporters touched off a lively discussion, with every peasant deputy eager to make a proposal: First, the cadres at all levels should take root in the rural grass-roots levels, publicize the central policies, and help the peasants do some "visible and touchable" things. Second, work out strict measures to correct the mistakes made in cheating the peasants. Fujian did a very good job in delimiting the cultivated land and protective areas and making strict rules for examination and approval, which put an end to the reduction in cultivated land. Third, exercising supervision at every level and carrying out the work through to the end. In the past, some localities were fond of stirring up the wind and paying attention to something announced just for a while. Some arrange the tasks without inspection and supervision. "Attaching importance" to work in this way will not last long and produce little effect.

CPPCC

Li Lanqing Expresses Opposition to 'Elite Schools'

OW0703170195 Beijing XINHUA in English 1546 GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—Vice-Premier Li Lanqing today expressed opposition to "elite schools" because they contradict the educational guideline of the Chinese Communist Party.

Li voiced his opposition in a talk with the members of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] from the educational sector.

He also discussed a number of issues with the members working as teachers in universities and colleges, including investment in education, the reform of the educational system in teachers' universities and vocational education.

According to Li, "elite schools" or "noble schools" as called by some people are entirely different from non-governmental schools.

Where conditions permit, non-governmental schools can be set up and should be assisted in accordance with government regulations, he told the members.

"Non-governmental schools are allowed to collect reasonable fees. But running schools is an undertaking for public welfare and should never take profit making as the purpose," he said.

However, "elite schools" take training elites as their purpose, he said, noting that their educational principle contradict the Party's educational guideline.

The vice-premier said that now both developed and underdeveloped areas want to set up universities. "But it is not easy to set up a new university," he pointed out.

Areas needing personnel should help run existing universities and colleges well and should not build new ones, he said.

"Meanwhile, we should concentrate on improving basic education and redouble our efforts to develop vocational education," he said.

Li Huaqing Attends Meeting of CPPCC Army Members

*OW0703170395 Beijing XINHUA in English 1620
GMT 7 Mar 95*

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—Ye Xuanning, vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), today attended a group meeting of CPPCC members discussing the government work report and asked them to do well in participating in and discussing political and government affairs.

Ye said that the CPPCC National Committee has submitted many opinions and proposals concerning agriculture and education to the Central Committee of the Communist Party of China and the State Council, which have been given importance.

He urged all the members of the CPPCC National Committee to pay attention to obtaining substantial results in working out proposals.

Liu Huaqing, member of the Standing Committee of the Political Bureau of the Party Central Committee and vice chairman of the Central Military Commission, also attended a group meeting held by CPPCC members from the army.

He told them that political and ideological education and military training should be enhanced in army building.

Jiang Zemin Presides Over Democratic Consultative Meeting

*OW0803041195 Beijing XINHUA in English 0336
GMT 8 Mar 95*

[FBIS Transcribed Text] Beijing, March 8 (XINHUA)—The Central Committee of the Communist Party of China (CPC) called a democratic consultative meeting here recently, inviting democratic party leaders and

non-Party personages to discuss the issue of personnel affairs which will be taken up at the current sessions of the Chinese People's Political Consultative Conference (CPPCC) and the National People's Congress (NPC).

General Secretary of the CPC Central Committee Jiang Zemin presided over the meeting which was attended by Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huqing, and Hu Jintao, members of the Standing Committee of the Political Bureau of the CPC Central Committee, and leaders of central committees of all democratic parties and the All-China Federation of Industry and Commerce.

Speaking at the meeting, Hu Jintao gave an explanation of the suggested candidates to be submitted to the NPC third session.

Wang Zhaoqiu, vice-chairman of the CPPCC National Committee and head of the United Front Work Department of the CPC Central Committee, offered comments on the list of suggested candidates to the CPPCC third session.

Leaders of democratic parties expressed their agreement to the suggested candidates.

CPPCC Members Discuss 'Hot' Topics; Li Peng Attends

*OW0803092395 Beijing XINHUA in English 0916
GMT 8 Mar 95*

[FBIS Transcribed Text] Beijing, March 8 (XINHUA)—Eight members of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) spoke on hot topics at the second plenary meeting of its annual session here today.

Chinese Premier Li Peng was present at the meeting.

Fang Rongxin, vice chairman of the Chinese Peasants and Workers Democratic Party, submitted proposals on agricultural development.

He proposed that the flow of transient surplus rural laborers should be managed orderly, a social service system should be established in the rural areas, the township enterprises be expanded, and sizable farming operations should be encouraged by providing loans and subsidies.

Yu Zhenzhong, vice chairman of the Hubei Provincial Committee of the CPPCC, discussed the reform of State-owned enterprises, stressing the improvement of their management.

Gu Shengzu put forward some proposals on checking inflation.

He said that the supply of agricultural products should first be increased and the circulation order should be rectified.

Jin Shuping, chairman of the All-China Federation of Industry and Commerce, Jiang Xiaoqing, chairman of the Liaoning Provincial Committee of the China Democratic National Construction Association, Luo Yuanzheng, a well-known economist, and Wang Guoquan, vice chairman of the CPPCC National Committee, also spoke at the meeting.

CPPCC Members Discuss Inflation, Agriculture

OW0703143895 Beijing XINHUA in English 1353
GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—Members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) have presented many suggestions on beating price hikes, a hot topic among Chinese citizens, at the ongoing CPPCC session.

Many members maintained that it is necessary to increase the supply of farm produce to cut down food prices as in 1994 China's grain prices rose by 49 percent, leading to the price rise with other commodities.

Gu Shengzu, a professor of the Economics College of Wuhan University in central China's Hubei Province, said effective measures should be taken to ensure increased input into agriculture; the farmland laid idle by farmers who left to seek jobs in cities should be reassigned to capable farmers; township enterprises should be developed at a faster pace; production of farming machines and tools should be given special assistance and shrinking of the acreage of arable farmland in southeastern coastal areas be checked.

Some CPPCC members commented that the huge amount of credit funds held by poorly-managed State firms and massive governmental expenditures should be cut as well.

They suggested that reform of State firms be deepened to revitalize them, and the relationship between banks and firms and between the State and firms be streamlined.

Wu Jinglian, a noted economist, said the key to controlling inflation lies in firmly pushing forward with reform, the reform of State firms in particular.

Wu proposed that State firms must be reformed by such different approaches as declaration of bankruptcy, shift of management rights and adoption of the modern enterprise system.

Meanwhile, he said, the unemployment insurance system should precede the reform of the social security system.

Gu Shengzu suggested that banks' credit structure should be readjusted, the relationship between banks and firms be streamlined and repudiation of debts be halted. Statistics show a total of 800 billion yuan of loans extended by State banks to State firms can not be repaid.

Jiang Xi, former minister of Commerce, blamed inflation partly on chaos in circulation.

He said the government should employ economic, legal and administrative means to rectify the circulation order, establish a price control system suited to a market economy and check unreasonable price rises.

A pricing law is needed to standardize the pricing behavior of the government, producers, consumers and other market participants, Jiang added.

The inflating and uneven growing consumption funds is another force behind the price hike some CPPCC members maintained.

Effective measures must be taken to keep consumption funds from growing excessively.

Gu Shengzu said an individual income declaration system should be established as soon as possible to intensify collection of individual income tax.

A wage negotiation system should be instituted to curb the unchecked wage increase of some workers and government employees and the standard for minimum wages should be introduced nationwide in a bid to stabilize the purchase power of low-income workers, Gu said.

Institutional consumption should be put under strict control, he added.

The government should not adopt new price rises on basic products and services in 1995, they maintained.

CPPCC Members Stress Education in Minority Areas

HK0703144995 Beijing ZHONGGUO XINWEN SHE in English 1324 GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (CNS)—Education is the most important factor for the development of a nation or society, and to China's poor and backward regions where the minority nationalities inhabit, the issue is even more critical.

For many years, China has highly valued education in these areas with four national conferences so far held on education in minority nationality areas and a series of policies and special measures on promoting education in these areas have been adopted.

During the past ten years, education in these areas has achieved significant results. Up to 1993, there were 15 million ethnic students and 750,000 teachers across the country, and there were over 100,000 primary schools, some 10,000 secondary schools and 105 higher learning institutions in ethnic areas. Some 2.3 million ethnic cadres and technicians of various kinds have been fostered.

However, backward education and shortage of talent remain problems besetting ethnic areas.

The fundamental solution to the problem cannot solely rely on capital input but promotion of education and training of professional talent.

Ma Shigong, member of the CPPCC [Chinese People's Political Consultative Conference] from Gansu, strongly emphasized the urgency to promote the nine-year compulsory education in ethnic areas.

Jiang Jiafu, member of the Standing Committee of the CPPCC and Deputy Director of the State National Affairs Committee, suggests that it is more practical to promote vocational training, alongside with basic education, in ethnic areas to benefit those who are unable to study in universities.

It is most urgent to promote education in these areas. CPPCC members hope that with the introduction of the nine-year compulsory education, the backward education standards in those areas will be changed in order to vitalize ethnic areas.

Members Urge Greater Protection of Women's Rights

OW0703150195 Beijing XINHUA in English 1333
GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)— "Some overseas investors have ignored the rights and interests of women workers. Most of the fire victims in some foreign-funded enterprises last year were women."

Wu Changzhen, deputy director of the Sub-Committee of Law of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) called on governments at all levels to pay enough attention to protecting women's legal rights and interests on the eve of the international women's day.

At present, the female laborers in China account for 44 percent of the total labor force, higher than the world's average of 34 percent.

However, Wu said, it is very common that some institutions and factories do not wish to recruit women and they dismiss female workers first when simplifying their units.

Wu asked for better efforts to enhance the implementation of the Law to Protect Women's Rights and Interests, which stipulates that men and women should be equally treated.

According to Guan Tao, member of the CPPCC National Committee, more and more women participate in political and government affairs in the past several years.

At present, female deputies make up 21 percent of the total to the National People's Congress.

CPPCC Deputies Stress Promotion of Basic Law

HK0703150495 Beijing ZHONGGUO XINWEN SHE
in English 1248 GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (CNS)—With just a mere two years from the handover of Hong Kong

to the Mainland, promotion of the Basic Law for the future Special Administrative Region is of great urgency, according to Hong Kong deputies to the 3rd session of the 8th Chinese People's Political Consultative Conference (CPPCC).

Some Hong Kong members were convinced that publicity of the Basic Law was equally important in Hong Kong as well as in the Mainland. So long as the Basic Law is familiar to both Chinese in Hong Kong and the Mainland, implementation of the law in the territory can be ensured and success in the "one country two systems" guaranteed.

One of the Hong Kong members proposed that promotion of the Basic Law should also be carried out by way of satellite to introduce the law to Taiwan and overseas regions because Taiwan residents together with overseas Chinese and ethnic Chinese need to understand the "one country two system" policy which helps push forward and realize reunification of the motherland.

A convener of the joint meeting on promotion of the Basic Law made known details on promotion of the Basic Law for this year. The promotion group founded in April, 1993 and composed of 34 non-governmental organizations in the territory held large exhibitions of pictures, carnivals and singing shows during the past two years to arouse attention of Hong Kong people to the Basic Law.

The Hong Kong members to the CPPCC said that they would fully lend their support for the publicity activities and they were convinced that the long-term prosperity and stability could be maintained in Hong Kong because of presence of the Basic Law. All they should do at present is to spare no efforts in promoting the law across the territory.

Religious Figures Support Reunification With Taiwan

OW0703165095 Beijing XINHUA in English 1523
GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)— Chinese religious believers in Christianity, Catholicism, Buddhism, Islamism and Daoism all expressed support for President Jiang Zemin's "eight-point" proposal on the peaceful reunification of China, saying they will contribute their efforts to this cause.

Leaders of five leading religious organizations, who are attending the Third Session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC), expressed their wish here today while gathering for a group discussion of Premier Li Peng's work report.

The organizations are the China Christian Council, the China Patriotic Catholic Association, the Buddhist Association of China, the Islamic Association of China, and the China Daoist Association.

Ding Guangxun, president of the China Christian Council and vice-chairman of the CPPCC National Committee, praised Jiang's proposal as being "specially considerate" for the Taiwan authorities and people from all walks of life in Taiwan.

He criticized a handful of Christians in Taiwan who preached independence of Taiwan, saying that it is entirely justified that Taiwan return to the embrace of the motherland.

"The independence of Taiwan is totally unwarranted," he said. "All Chinese Christians should guard against the attempt to split China and make concerted efforts for the peaceful reunification of China."

Zong Huaide, chairman of the Chinese Patriotic Catholic Association and a Standing Committee member of the CPPCC National Committee, said that Chinese Catholics hoped the Taiwan authorities would abandon all unrealistic notions and take concrete actions to respond positively to Jiang's proposal.

Zhao Puchu, chairman of the Buddhist Association of China, praised Jiang's proposal as "pragmatic and feasible."

The chairman said in his written speech that he hoped the two sides across the Taiwan Straits would, in the spirit of assuming responsibility for the entire Chinese nation and history, make joint efforts for the peaceful reunification of the motherland at an earlier date.

An Shiwei, chairman of the Islamic Association of China and a Standing Committee member of the CPPCC National Committee, said that Jiang's proposal is inspiring to people who hope for development of relations across the Taiwan Straits and peaceful reunification of the motherland.

"I hope that Muslims both in the Chinese mainland and Taiwan would be able to achieve direct contact as soon as possible," he said.

Fu Yuanjian, president of the China Daoist Association and also a Standing Committee member of the CPPCC National Committee, expressed the hope for enhancing exchanges between Daoist groups across the Taiwan Straits and contributing to the peaceful reunification.

Economist Discusses Foreign Investment at CPPCC Plenum

OW0803103595 Beijing XINHUA in English 0853
GMT 8 Mar 95

[FBIS Transcribed Text] Beijing, March 8 (XINHUA)—China should tighten the control of foreign investment and guide the investment orientation in a bid to promote a more effective use of such investment.

Luo Yuanzheng, Vice-Chairman of the China Association of International Economy, made the remark today

in his speech at a plenum of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC).

Luo said that the central idea for attracting foreign investment should be to expand the fields of utilizing foreign investment, and to combine the use of foreign funds with readjustment of the country's structure of investment and industries.

The effort is to improve standards of product quality, technology and economic efficiency. To facilitate the goal, he said local authorities should take initiatives to introduce foreign funds in a selective manner.

It is most important to direct foreign funding to basic industries and infrastructure facilities, said Luo, who is also an economist working with the Beijing Economic College.

The State should offer more preferential policies to attract foreign investors to help develop agriculture, he noted. In addition, investors should be encouraged to invest in high and new technology and high value-added industries. Investment projects should also meet the requirements of environmental protection.

He said that investment in luxurious real estate projects and recreational facilities must be strictly controlled.

The professor also called for attention to increasing overseas investment in the country's central and western regions, where there are rich natural resources and many technically advanced enterprises. The government should work out relevant policies to this end, he said.

He suggested that those labor-intensive and resource development projects should be diverted to underdeveloped areas in central and western China.

He stressed that the government should enhance the control of foreign investment according to laws and regulations and internationally accepted practice.

The most urgent need, he said, is to publish a list of State priority projects for overseas investors. The legislation of foreign investment laws should be stepped up to protect the interests of both the investors and the Chinese partners.

Political & Social

Deng Received Visitors During Spring Festival
OW0703151895 Beijing XINHUA in English 0916
GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—Big changes have taken place in the native county of Deng Xiaoping, China's chief architect of reform and opening-up, reported a deputy attending the annual session of the National People's Congress (NPC) in Beijing.

Li Shenkuan, commissioner of Nanchong Prefecture, Sichuan province, told XINHUA he received a telephone call this morning from the Party secretary of Deng's native Guangan County.

In the call, Secretary Xiang Kaiyi asked Li to convey to Deng the glad tidings about the big changes that have taken place in the county.

Seventy-six years ago, Deng left Guangan for France via Chongqing and Shanghai cities on a work-study program at the age of 14. He has never been back to his native county since then.

However, the 90-year-old Deng has been closely following the development of his native county. People close to Deng said they often cut news reports from newspapers and magazines on his native county to show them to Deng, who is always delighted to read them.

Deng has received visitors from the county and told them to do a good job in farming and focus efforts on local economic development.

During the Spring Festival this year, Guangan sent representatives to Beijing to call on Deng and brought him his favorite fruit, shaddock, and a specially-made stick.

In the county, 600-km asphalt-surfaced highways have replaced rugged mountain roads and more than 700 schools have been built, with many younger people becoming college graduates, experts and professors.

Local residents now have more than enough to eat and wear. Last year the county reported a 1.2 percent growth in grain output and farmers' per capita income increased by 120 yuan. In Deng's native Paifang village, the farmers' income per capita reached more than 800 yuan, ranking second among all villages in the county.

The county has one power station and one park, which have their names written by Deng. Recently another power station has been completed in Guangan.

People who called on Deng during the Spring Festival recalled that when Deng was told about the changes in the county, Deng nodded his head and said, "Such big changes in the native place. I am happy."

In the telephone call this morning, Li said, Party Secretary Xiang asked him to tell Deng that the people in the county will work hard to build up Guangan and wish him good health and a long life.

Li Lanqing Discusses Junior-Level Education

OW0703114295 Beijing XINHUA Domestic Service in Chinese 1606 GMT 28 Feb 95

[By reporter Feng Yingbing (7458 3841 0393)]

[FBIS Translated Text] Beijing, 28 Feb (XINHUA)—Li Lanqing, member of the CPC Central Committee Political Bureau and State Council vice premier, yesterday

afternoon invited a number of educational workers from Beijing, Tianjin, and Shanghai municipalities and Hebei and Liaoning Provinces to a discussion meeting held at Zhongnanhai to discuss and study how to alleviate the schoolwork situation for students at middle and primary schools. Li Lanqing stressed that it is imperative to reduce the burden of schoolwork for students at middle and primary schools and to allow children and youngsters to develop in a lively and all-around way.

The problem of middle and primary school students' heavy schoolwork burden has aroused the general concern of society in recent years. Wu Yingkai, who is an 85-year-old medical expert, wrote a letter to a leading comrade of the State Council early this year in which he asked the authorities to "save the children." General Secretary Jiang Zemin and Premier Li Peng repeatedly gave important instructions on this problem, and the party Central Committee and the State Council also repeatedly demanded that the departments concerned adopt measures to solve this problem.

It has been learned that since last year, departments in charge of administering education at various levels and the mass organizations concerned in society have done a lot of work to effectively alleviate the heavy schoolwork burden on students at middle and primary schools. The State Education Commission has successively printed and distributed the "opinions on fully implementing the education policy and reducing the excessive schoolwork burden on students at middle and primary schools," the "circular on further strengthening the administration of competitions and evaluation activities for students at middle and primary schools," the "opinions on strengthening the administration of review lessons and supplementary teaching materials for students at middle and primary schools," and the "urgent circular on closing down Olympic schools (classes) of various types at various levels." These steps were welcomed by the overwhelming majority of teachers, students, and parents of students. The State Education Commission also implemented a new school-hour system, adjusted the curriculum (teaching) programs for primary schools and junior middle schools, reduced demands on teaching programs, and organized inspection teams to supervise and inspect the situation of reducing students' schoolwork burden. Meanwhile, the commission has publicized through the news media the significance of implementing the state education policy and reducing students' excessive schoolwork burden. It has also publicized the experiences of various schools in various localities in carrying out educational reform, and it has achieved very good results.

At yesterday's discussion meeting, Zheng Zhaomei, president of the Beijing No. 158 Middle School; Yan Zhishen, president of the Tiajin Yaohua Middle School; Ji Qingsheng, deputy director of the Liaoning Provincial Education Commission; Shen Zhuzhen, president of the Shijiazhuang No. 1 Middle School; Xia Xiurong, deputy director of the Shanghai Municipal Education Bureau;

Chang Mingchao, principal of the Yanjing Primary School in Tangshan's Lunan District; and Professor Wu Yingkai spoke in succession to explain and analyze the harm and causes of the problem of the excessive schoolwork burden on students at middle and primary schools. The participants exchanged ways to make improvements and offered many appropriate opinions and suggestions.

Li Lanqing made a speech after listening to the participants' remarks. He called on all parts of society to make joint efforts to effectively reduce the schoolwork burden on students at middle and primary schools and to raise the quality of education in an all-around way.

Li Lanqing said that the problems of the excessive schoolwork burden on students at middle and primary schools included the following: Some schools randomly add study hours, teach subjects that exceed the level of the educational program, demand large amounts of homework, give numerous tests, and require too many review materials. There are too many competitions on various subjects and too many various kinds of Olympic schools, Olympic classes, and evaluation activities in society. The selection of a few at the cost of the majority runs counter to the law of education. Some leading departments have set targets concerning the number of students who can further their educations at schools. According to the investigation's reports, the harm caused by the excessive burden of schoolwork for students at middle and primary schools is very serious. First, it causes students' health to deteriorate and puts too much mental pressure on them. Second, the demands coming from a higher level of teaching, and the numerous and difficult homework assignments and frequent tests have placed heavy pressure on students at middle and primary schools. As a result, some students have lost their confidence in their academic abilities. Third, the excessive schoolwork burden will adversely influence students' interests and the development of their special talents. Li Lanqing emphatically pointed out: Such an erroneous education policy and teaching methods have distorted the nature and mission of basic education, have deprived children of their playfulness and fun, have seriously obstructed children's development in a wholly, lively, and voluntary manner; and have restrained the increase in the quality of basic education in an all-around way. For the physical and mental health of the younger generation and for the future of our country and nation, we must adopt resolute measures to effectively alleviate the schoolwork burden on students at middle and primary schools, serve the goals of all students, and cultivate hundreds of millions of builders and successors to the socialist cause who can meet the needs of the 21st century both academically and physically.

Li Lanqing said: The key to solving the problem of the heavy schoolwork burden on students at middle and primary schools lies in changing our thinking on and concept of education. The excessive schoolwork burden is a reflection of the old and traditional thinking on education. We must change the narrow view that only

those who attend college and become experts can be called capable people. The three kinds of people listed in the 1985 central decision on the reform of the educational system are workers engaged in industry, agriculture, and commerce; scientific and technological personnel, scholars, and experts; and administrative and managerial personnel. These three kinds of people are all required for socialist modernization. Therefore, basic education must change its mode of "education for examination" formed over a long period, correct the tendency to seek, in an undue manner, advanced study; and prepare a good foundation for all types of talented people. As for the quality of education, some comrades think that what makes one a high-quality student is memorizing things and achieving high grades. This kind of seeking so-called "quality" by placing additional burdens on students will likely create the situation of having students "score high grades but have low ability," and such students cannot meet the needs of the socialist market economy. Good-quality basic education is intended to enable students to develop morally, intellectually, and physically in a coordinated manner; to foster correct outlooks on life and the world, to acquire solid basic knowledge for their future work, to have a strong ability to analyze and solve problems, and to become qualified and capable "semifinished products [mao pi 3029 0999]." Such a type of quality can be achieved precisely by reducing the excessive schoolwork burdens on students, giving them more free time to develop their special abilities and talents, and encouraging them to cultivate creative thinking and a creative spirit.

Li Lanqing said: To reduce the schoolwork burden and to raise the quality of education in an all-around way, the fundamental way out is to deepen the reform of education. First of all, we should relieve the pressure on students caused by their passing over the "single-log bridge" to further their studies. We should expand channels for those students who want to continue their studies, actively carry out reform to provide opportunities for graduates of primary schools, junior middle schools, and senior middle schools, and vigorously develop vocational education at various levels, especially secondary vocational training and adult education, so as to improve the macrostructure of education, which is not satisfactory in our country. The teaching contents and methods in middle and primary schools should reflect the special characteristics of basic education and should follow the principle of being concise. They should whip up the enthusiasm and initiative of teachers and students. We should make efforts to study the reform of teaching courses for middle and primary schools, seriously study the volume and requirements of various subjects, and resolutely cut out contents that are outmoded, over-complicated, and excessive. We should actively carry out a reform of the examination system used to enroll students, and we should delegate authority to primary schools in terms of their graduation examinations. In areas where junior middle school education has been popularized, we should implement the system

of enabling primary school graduates to enter junior middle schools without taking examinations. We should actively promote unified examinations for the enrollment of senior middle school students, and we should seriously try to eliminate the link between the students' graduating from schools and the entrance examinations of schools of higher learning. We should carry out a reform of the evaluation method of schools' teaching quality and educational level and of teachers' achievements. We should establish a scientific and feasible evaluation system and method for schools based on the principles of fully implementing the state's education policy, raising the quality of teaching in an all-around way, and being favorable in enabling students to develop a sound body and mind.

Li Lanqing asked education departments at various levels and schools to consider the work of reducing the excessive schoolwork burden on students at middle and primary schools to be an important task and to achieve good results this year. Various circles in society and parents should support education departments and schools in jointly doing well this work. He emphatically pointed out that middle and primary schools should give courses and make arrangements for teaching materials in accordance with the course (teaching) program and teaching outlines for various subjects revised by the State Education Commission, and that they must not randomly add subjects and the time required or raise requirements concerning teaching. Units in charge of compiling teaching materials should observe related stipulations to shorten and adjust teaching materials. No unit or individual should be allowed to force schools to subscribe to teaching materials not included on the "list of teaching materials for middle and primary schools," and still less tie the sale of other books, journals, and supplementary materials to teaching materials. We should firmly correct the practice of linking students' test scores and percentage of admission to higher-level schools to the evaluation of schools and teachers and the issuing of awards. We should give full play to the role of education supervision organizations at various levels, provide guidance, and conduct periodic inspections of the situation concerning reducing the excessive schoolwork burden on students at middle and primary schools, publicly announce inspection results, commend teachers and schools that have light schoolwork burdens and a high quality of teaching, and seriously sum up and disseminate their experiences. We should "grasp the two ends to bring along the middle [sustain the advanced and help the backward so as to encourage the vast majority to make progress]." Key schools should demonstrate their exemplary role in reducing students' schoolwork burden. We should strengthen the work of training teachers, encourage teachers to further their studies, and improve teachers' professional quality and teaching ability. We should disseminate outstanding teachers' teaching methods, and we should prepare and teach lessons in a meticulous manner. Schools possessing good conditions should use audiovideo, computer, and other advanced

means to help teach classes, should strive to increase the quality and efficiency of class education, and should make reasonable arrangements for students' homework. We should firmly implement the policy of enabling students to develop morally, intellectually, and physically. We should adopt colorful and lively methods to help students foster a high moral character, and we should encourage them to love the motherland, to happily assist others, and to observe the law and discipline. We should improve students' extracurricular activities and appropriately carry out lectures, as well as sporting, musical, artistic, handicraft, scientific, and other activities that can help students develop in a healthy way, and we should encourage students to develop their interests and special skills. However, we must guard against moving in the erroneous direction of reducing students' schoolwork burden and at the same time loosening the organization of and guidance over students' extracurricular activities.

Speaking on the question of strengthening leadership and discipline, Li Lanqing said: The State Education Commission's "opinions on fully implementing education policy and reducing the excessive schoolwork burden on students at middle and primary schools" circulated in 1994 are a good document. Some of the document's stipulations and demands are important disciplinary requirements for education departments. Party and government leaders and comrades at education administrative departments in various localities should understand the importance of these and should implement them seriously and strictly. Various localities should improve administration, have cadres and teachers improve their understanding of the legal system and discipline, and promote the implementation of related stipulations. He said: Strengthening leadership over the work of reducing the excessive schoolwork burden on students at middle and primary schools is an unshakable responsibility of party and government organizations and education administrative departments, and it is first of all the responsibility of party committees and governments at various levels.

In conclusion, Li Lanqing expressed his confidence that with the concerted and unwavering efforts of party and government departments, various circles in society, and education departments, the problem of an excessive schoolwork burden on students at middle and primary schools can certainly be solved step by step.

Xu Zhijian, Zhu Kaixuan, and Liu Bin attended yesterday's discussion meeting.

Article Views Shanghai Clique, Regional Factionalism

HK0803074995 Hong Kong SOUTH CHINA MORNING POST in English 8 Mar 95 p 19

[By Willy Wo-lap Lam]

[FBIS Transcribed Text] It was not in the keynote speeches given at the National People's Congress (NPC),

but in the small talk among delegates, that the fast-shifting political realities of the country were best gauged. Despite President Jiang Zemin's insistence on its non-existence, the Shanghai faction is rising so fast its members are flaunting their powers.

While talking to parliamentarians from Shanghai this week, Wu Bangguo, who was inducted into the Central Committee Secretariat last September, was asked whether he still cared about his "native town". Mr Wu, a former party boss of the east China metropolis, said: "I speak the Beijing language. But I understand Shanghainese."

The protege of Mr Jiang was then told by the new Shanghai mayor Xu Kuangdi: "You must speak Putonghua (Beijing dialect) well. But don't forget Shanghainese."

The new party secretary of Shanghai Huang Ju added: "Shanghai must speak the Beijing language well and do a good job with Shanghai affairs."

That Shanghainese has become the power dialect of Beijing—and that "Shanghai affairs" top the national agenda—is evident from Mr Huang's boast to another group of Shanghai NPC members on Monday. Mr Huang, who was promoted to the Politburo last September, said he had asked Premier Li Peng to highlight Shanghai and Pudong in his Government Work Report to the NPC last Sunday.

When Mr Li talked about the open-door policy in the draft version, he mentioned "the special economic zones and the coastal open cities, the open belts". "I am responsible for the comma and the four characters Shanghai and Pudong—that appeared after 'open belts' in the final version," Mr Huang bragged.

The further blossoming of the Shanghai Clique will be confirmed at the end of the session, when Mr Wu will be confirmed vice-premier in charge of industry.

To parry criticisms that he has given Shanghai-affiliated politicians an unfair advantage, Mr Jiang, a former Shanghai party boss, asked the nation's editors and propagandists in January to refrain from using the term Shanghai faction.

Apart from shoring up his own faction, Mr Jiang's priority is to reassert centralised control over the regions, particularly the nouveau riche provinces along the coast. Mr Li has asked provinces to abide by the national target of a GDP increase this year of eight to nine per cent. To cut inflation to 15 per cent or less, localities have been obliged to curtail "non-essential" investments.

Moreover, the premier has introduced a "governor responsibility system" for agriculture, so that the performance of regional cadres will be evaluated on whether they can jack up grain and cotton yields.

Public pronouncements and private talk among NPC delegates have given a good illustration of the timehonoured principle of *niyou zhengce, woyou duice* ("you have your policy, I have my counter-strategy").

Governors and party secretaries attending the congress have publicised growth targets this year that are substantially lower than for 1994—15 per cent for Guangdong and Jiangxi; 14 per cent for Shanghai; 11 per cent for Hebei, 10 per cent for Anhui; eight per cent for Heilongjiang; and 9.6 per cent for Sichuan, where feisty governor Xiao Yang holds court.

Mr Xiao, a "warlord" whom Beijing wants to get rid of, even enthused about how, "compared to coastal provinces, the (central) government has been very kind to Sichuan" in terms of tolerance to its apparently deviant economic policy.

Fellow "warlord" Lei Yu, the gung-ho vice-governor of Guangxi, also tried to reassure the *zhongyang* ("centre") by saying: "If the country only allows localities to borrow 30 million yuan (of foreign loans), we won't borrow 30.01 million yuan."

In front of television cameras, local cadres have bested each other in swearing allegiance to the "agriculture first" imperative. "As the province with the most arable land, Heilongjiang is willing to shoulder the task of boosting grain yield," said vice-governor Sun Huiwen. The vice-party secretary of mega-rich Jiangsu province added: "Jiangsu would rather drop a few industrial projects so as to better solve the agriculture problem."

But Guangdong, which has just done battle with the *zhongyang* over the capital gains tax, has taken advantage of 1997 to boost infrastructure and capital-construction expenditure. As party secretary Xie Fei put it, Guangdong must "shrink its differentials with Hong Kong...to better shoulder the heavy task of dovetailing with Hong Kong" by 1997.

Mr Xie and governor Zhu Senli have been lobbying Beijing for permission to build such controversial projects as the Lingdingyang Bridge that would link Hong Kong with western Guangdong.

Nr Zhu told delegates that while Guangzhou had been under order to restrain fixed-asset investments, "it will do as many things as its finances allow...whichever projects are necessary should get the go-ahead".

Neighbouring Fujian has justified its spending spree on the need to follow up on Mr Jiang's recently announced eight-point reunification initiative for Taiwan. Party secretary Jia Qinglin pointed out on Monday that although Beijing's austerity measures would hurt some "minor projects", they would not affect "projects which serve to promote relations across the Taiwan Strait".

After all, can the *zhongyang* stop Fujian from constructing a bridge to Taiwan even if it were to bankrupt the state coffers?

Not surprisingly, parliamentarians left out in the cold are the poor cousins from "third world" China, the impoverished western provinces.

Heilongjiang party boss Yue Qifeng warned that the east-west disparity had grown wider every year. He told Mr Li that instead of saying in his NPC report that Beijing "would do all it can" to help the poor regions, the premier should stipulate that the entire country "should" come to their aid.

But Mr Yue's words are falling on deaf ears. National attention is riveted on Shanghai and Pudong. In the proud words of Pudong supremo Zhao Qizheng: "Pudong is an area that enjoys priority guarantee (of resources). If Shanghai's speed (of growth) is 14 per cent, Pudong's should be 28 per cent."

Paper on Multinationality of State, Patriotism

HK0803090795 Beijing GUANGMING RIBAO in Chinese 2 Feb 95 pp 1, 2

[By Ismail Amat (0674 7456 5030) and Ai Maudi (5337 6314 2251): "Multinationality State and Patriotism"]

[FBIS Translated Text] History and the people who create history have built this great Oriental multinationality state and it accommodates the broad feelings of the multitude of nationalities, making this country full of vitality; it condenses the wisdom and creativity of the various nationalities, powerfully propelling social progress; it links the different economic regions into an entity in which they supplement and support each other and promote national economic prosperity; it collects and absorbs the rich cultural characteristics of the different nationalities, creating a richly diverse national culture; and it enables the various nationalities to learn from each other, for each to display its own strong points, and to jointly create a beautiful life. Of course, a multinationality state has problems which a single nationality country does not have. It is necessary to handle properly the problems which arise from ethnic differences and strengthen the cohesion of all nationalities. An important task in this regard is to carry out education in patriotism among the nationalities unremittently.

The Country Is Above All—A Concept With Which Every Citizen Must Be Equipped and Which Must Be Constantly Strengthened

In a multinationality state there is one important relationship which must be correctly recognized and handled and that is the relationship between the country and nationality.

Every person naturally belongs to a nationality and becomes a member of that nationality at birth, building up a definite set of sentiments with this nationality in the course of undergoing ups and downs together. These sentiments gradually become solidified through congenital relationships and acquired life experiences. This is an important factor in the development and progress of a nationality.

When people are born they also belong to a country. A country does not merely grow out of the intimate relationships with all people in the various aspects of social life such as politics, economy, culture, etc; it also holds people's sentiments together. The homesickness of the wanderer is an example of such sentiments.

It should be pointed out that nationality is more a matter of blood ties and race, whereas people's attachment to their country has a much broader significance. If people do not belong to a country they have no place to stand and cannot have rights and duties conferred on them by law. The majority of countries in the world today are multinationality countries but, even if a country only has a single nationality, it must first and foremost be a country if it is to exist and develop. A single person or a group of people can, for a while, exist without belonging to any particular nationality or racial designation—but not without a country. Thus, it can be said that for all people the country is much more important than the nationality. "Oh land of my ancestors, my mother!" This is the heartfelt cry of the people of every nationality. It is also the logical conclusion of history and actuality.

In a multinationality country the fate of each nationality and the fate of the country are tightly linked. Within the same boundaries, the nationalities struggle together, break new ground together, and create a common culture and they share the enjoyment of the fruits of their common creation. In this, the country provides the various nationalities with the conditions and protection for their work. Without the existence and power of the country it would be difficult to imagine working in peace or enjoying the fruits of that work. The progress or decline, flowering or withering, and glory or shame of a country are linked with each nationality's progress or decline, flowering or withering, and glory or shame. Only when the country is strong can a nationality make progress. Therefore, each person must continually strengthen the following conviction: The country must be supreme. The country is the embodiment of the highest interests of each nationality and the wellspring of its happiness. All nationalities, at all times, must defend the interests of the country and submit to those.

In essence, the interests of the nationality and the interests of the country are identical. In certain conditions, each individual nationality can have its own concrete interests and there are times when these will be in contradiction to those of the country. For instance, each nationality hopes to make faster progress than the others and wants to obtain more support from the country than the others. But the objective conditions often cannot satisfy all the nationalities' demands at the same time and, therefore, their rates of progress will be different. At such times it is necessary to take the general situation into account, start from the overall interests of the country, and subordinate the interests and needs of the nationalities to the general interests and needs of the country.

The Unification and Invigoration of the Country—The Solemn Mission of Every Nationality

National unity and social stability are the basic preconditions for the development and progress of a multinationality country. Looking back over the 5,000 years of Chinese history, unity is the main current from first to last. And it is precisely because of this unity that China has been able to become an ancient and great Eastern country with a brilliant culture. We should be grateful to our ancestors for using the term "Chinese nation" [zhonghua minzu] to refer to all the nationalities living in the land of China. This in itself is a symbol of the solidarity and harmony of the various nationalities. When we carry out education in patriotism we must reinforce education in national unity and strengthen the concept of guarding national unity. Unity is in the common interest of the various nationalities and it is what they seek. Today, all the endeavors of China's nationalities are closely bound up with safeguarding national unity. All those, of whatever nationality, who strive ceaselessly and make great achievements in their efforts to safeguard national unity will be cherished and esteemed by people of all nationalities in the country; likewise, all those who harm national unity will inevitably be spurned by the people of all nationalities in the country. An important part of safeguarding national unity in this multinationality country is the ceaseless promotion of solidarity among nationalities. Equal treatment, friendly dealings, mutual respect, and mutual assistance among nationalities are important guarantees of national unity. When carrying out education in patriotism, we must base ourselves on the demands of the "Outlines for Implementing Education in Patriotism" and effectively carry out education in the solidarity of nationalities, to form a sturdy public opinion and fine social climate which prizes, safeguards, and promotes solidarity.

National unity and the invigorating of China are the sacred mission of the Chinese people right now. In the present era it is economic strength which is the yardstick by which the ranking of countries is reordered. If the Chinese people are to stand tall on the world stage as a people full of life and vigor, we must accelerate economic development and promote the common prosperity of all nationalities. Therefore, in carrying out education in patriotism we must fix our minds on concentrating the determination of the various nationalities, arousing their initiative, and enabling them to bring into full play their wisdom and talents, so that all nationalities, with constant unity of will and purpose, can build socialism with Chinese characteristics and bring about a great invigoration of the Chinese nation.

China right now is facing an extremely rare opportunity for development. Ever since the start of the reform and opening up policies the changes which have taken place in China and the marvels that it has accomplished are some of the great feats of the 20th century. Facing this historical opportunity, we cannot hesitate or dither; we must resolutely seize the day, grasp the opportunity, and

struggle fiercely so that the Chinese people's strength can be fully displayed and they can accelerate the pace of progress on the racetrack of economic development.

China has a vast territory and huge population and there are gaps and disparities in the development of the different nationalities. The gradual lessening of these discrepancies and the realizing of the coordinated development and common progress of the various nationalities in the diverse regions is the common desire of the peoples of the different nationalities and it is an inevitable demand if the whole country is going to make sustained, speedy, and wholesome economic development. Each nationality should earnestly study Deng Xiaoping's theory of building socialism with Chinese characteristics, adhere to the party's basic line, display the spirit of self-reliance and resolute struggle, give full play to their specific advantages and, with the support of the nation and the help of the advanced regions, strive to achieve the progress of the nationalities and the invigoration of the country.

The Fine Tradition of Patriotism—The Common Treasure of All the Nationalities

The love of this united multinationality country of ours is a fine tradition of all the nationalities. Each nationality, no matter whether it has a large or small population, no matter what region it inhabits, and no matter what its environment, has an unswerving love for and loyalty toward the motherland.

Love for the motherland is both historically and emotionally necessary. Our great motherland was created by its various nationalities in common. It is a fusion of the common ideas and aspirations of the peoples of the various nationalities and a coagulation of the blood and sweat of the peoples of the various nationalities. Each nationality is a component part of the entire national organism, indispensable and inseparable.

The 5,000-year history of Chinese culture is replete with patriotic epics. Patriotism has shone like a gleaming ray of light from the remote past right up until today. Throughout history, whenever the country was plunged into chaos and the people were undergoing hardships, the peoples of the various nationalities stepped forward and struggled heroically to rally the country. In the course of putting down the An Lushan Rebellion during the Tang Dynasty, troops of the Uygur minority nationality advanced into the Central Plain and fought valiantly against the rebels under the banner of the central government, to quash internal unrest. Whenever there were people who discarded the national righteous cause, set up separatist kingdoms, and split the country the various nationalities threw themselves unstintingly into the fight to oppose separatism and punish the rebels. During the Qing Dynasty, at the time of the Galdan separatist regime and the "War of the Three Feudatories," brave people of various nationalities sprang into the vanguard and made their due contributions. Whenever China suffered foreign invasions and the Chinese

people faced peril the various nationalities put up fierce resistance and erected a "Great Wall" with their flesh and blood. In the 18th century the various nationalities resisted the encroachments of Czarist Russia in a struggle to defend the country's borders that has illuminated the ages, as the surging Heilongjiang River can testify; in the southwest, in the 19th century, the indomitable spirit shown by the various nationalities in heroically resisting the British invasion is deeply moving, as the story of the towering Jiangzi Fort illustrates. In modern times, the struggle of the people of various nationalities, under the leadership of the CPC, to build and protect New China will resound through the ages. All these instances show the great spirit of warm patriotism and sacrifice for the motherland of the various nationalities of China.

Today, while carrying out education in patriotism, we should prize this history and, in particular, make the young people understand this history to hand down this fine tradition of patriotism from generation to generation.

China's history, written in blood, records glories but it also records humiliations. We must not only not forget history; we must reflect deeply upon it. We must in particular reflect upon the causes of the many historical tragedies, in order to obtain enlightenment and wisdom.

Multisided Formation With the Stress on Practicality—The Internal Demand of Education in Patriotism

The "Outlines for Implementing Education in Patriotism" by the CPC Central Committee lay down clear regulations for carrying out education in patriotism, from content to form and from measures to goals. While we must steadfastly carry out work in accordance with the "Outlines," we must reflect on China's characteristics as a land with a huge territory and diverse nationalities, where conditions are greatly diverse. We must start out from reality and develop education in patriotism in a vigorous way, highlighting the prominent points and characteristics of each particular nationality and each particular region. Each nationality habitat has majestic mountains and rivers and beautiful scenery; each nationality has a dazzling culture and long history; each nationality has made its unique contribution to the formation and development of the Chinese nation; and they have provided many classical examples of patriotism and patriots. This is all good material for education in patriotism. All areas should dig up, develop, and utilize such materials and connect them with today's reality, to further encourage and educate the people.

In carrying out education in patriotism we must seek truth from facts, use facts to illuminate the truth, and make the truth serve man, thus avoiding mere empty preaching. Facts not only have the greatest persuasive force, they also provide people with standards for action. What we must especially relate to the utmost conviction are the facts about the development and progress that the

various nationalities have gained as part of the great family of the socialist motherland. In the 45 years since the founding of New China, and especially in the past 16 years of the reform and opening policies, China's nationalities have made tremendous progress and deep and historical transformations have taken place in the minority nationality areas. These facts have drawn the attention of the world and caused universal admiration. These facts indisputably prove to the people of China, and to the world, that it is only by struggling in unity in the bosom of the great family of the socialist motherland that the various nationalities develop and progress steadily. It is only thus that they can have their own dignity and cast off the fate of being always oppressed and discriminated against. This is the way to make the people of the various nationalities value the achievements they have made in continuous struggle under the leadership of the CPC and to ardently love our socialist motherland.

To make education in patriotism more effective we must make full use of the special characteristics of the production, ways of living, and the cultures of the minority nationalities. More than 20 of China's minority nationalities have their own script and the vast majority of them use their own language. Therefore, we must pay attention to using the languages and scripts of the minority nationalities in propaganda and education, make sure that reading and video materials are edited and published in minority nationality languages and scripts, so that even more people can receive education (in patriotism). We must also strive to cause education in patriotism to seep into the cultures and everyday lives of the people of the various nationalities. For instance, the multitude of ethnic minority festival activities are a good medium for the promotion of education in patriotism.

Education in patriotism in the ethnic minority areas must emphasize practicality and avoid shallow formalism and superficiality without any depth to it. Through the nationalities' spirit of steadfast words and genuine struggle we must strengthen their cohesion, establish their sense of dignity and pride, and solidify and develop a wide-ranging line of patriotic unity. We must take the patriotic enthusiasm of the various nationalities and infuse it into the task of building socialism with Chinese characteristics and into contributing to a united, prosperous motherland.

We must thoroughly strengthen the leadership of education in patriotism. We must draw up feasible plans and make long-term efforts. We must also pay attention to making use of typical examples, constantly sum up experience, and make education in patriotism vivid and dramatic to the people of the various nationalities. Education in patriotism must become a mighty spiritual prop for the people of the various nationalities and an important part of their lives.

Commentator on Promulgation of Three Judicial Laws

HK0703134495 Beijing *RENMIN RIBAO* in Chinese 3 Mar 95 p 1

[Commentator's article: "A Big Event in the Building of the Judicial Ranks"]

[FBIS Translated Text] The "PRC Judge Law," the "PRC Procurator Law," and the "PRC People's Police Law," were deliberated and adopted by the 12th Session of the Eighth National People's Congress [NPC] Standing Committee on 28 February. The adoption and implementation of these three laws indicate that the management of judges, procurators, and people's police will be further standardized and legalized. This is a big event in the building of China's socialist democracy and the legal system.

The people's courts, people's procuratorate, and public security organs are the essential tools of China's people's democratic dictatorship which shoulder the important responsibility of representing the state in performing the rights of trial, law, and supervision; safeguarding state security and social order; protecting the legitimate rights of the citizens; protecting public property; and checking and punishing illegal and criminal activities. Judges, procurators, and the people's police are state functionaries, as well as professionals responsible for law enforcement. Owing to a lack of perfect legislation for a long time in the past, the regulations for the state's administrative personnel were followed in the management over these personnel. This could not help to ensure and improve the qualities of the law enforcement personnel. Moreover, they lacked necessary legal protection for performing their functions according to the law, which affected their law enforcement functions to a certain extent.

With the constant deepening of China's reform and opening up, court, procuratorial, and public security work is facing many new circumstances and problems. The development of the building of socialist democracy and the legal system also has set higher demands on law enforcement. In view of these circumstances, the departments concerned, based on their long-term practical experience, have proceeded from China's practical conditions; focused their attention on the future, while taken reality into account; drawn on the useful experience of foreign countries; and formulated the Judge Law, the Procurator Law, and the People's Police Law—all with Chinese characteristics.

The three laws clearly stipulate the qualifications, duties, rights and obligations, assessment, reward and punishment, and management for judges, prosecutors, and people's policemen, which can ensure that law enforcement personnel have the necessary moral character and ability, and can improve their qualities. Meanwhile, it also will be conducive to strict management over judges, prosecutors, and people's policemen. The laws not only

state the rights of judges, prosecutors, and people's police, but also stipulate the duties they must perform, the discipline by which they must abide, and the responsibility they must undertake when they have violated law or discipline. A mechanism for monitoring and exercising supervision over law enforcement personnel should be established so as to ensure purity in the ranks of law enforcement personnel.

To meet the needs of the situation and the desire of the people, we should build a contingent of law enforcement personnel who have political qualities, a sense of discipline, and a good style, and who are professionally competent. The promulgation and implementation of the Judge Law, the Procurator Law, and the People's Police Law will effectively promote the building of the courts, procurators, and public security organs; enable them to better perform their functions; and make greater contributions to safeguarding the unified and correct enforcement of the law, defending authority of the central authorities, maintaining social stability and order, and ensuring the smooth progress of reform, opening up, and the socialist modernization program.

Paper Criticizes Officials Who Violate Laws

HK0803111495 Beijing *FAZHI RIBAO* in Chinese 10 Feb 95 p 2

[Article by Liu Haoguang (0491 1170 0342): "Is 'I Only Assume Responsibility for Being Bureaucratic' Good Enough?"]

[FBIS Translated Text] Something was revealed recently by a few major media organizations: To pursue "development," the Shenmu County government in Shaanxi Province decided, on its own, to requisition 5,300 mu of woods and pastures, 3,700 mu of which were in the "North China Shelter Belt." This incident, involving the illegal occupation of land and destruction of woods, aroused the indignation of local people and caught the attention of the central and local governments.

After the incident involving the illegal occupation of land and destruction of woods in Shenmu County was disclosed by the media, a reporter asked a principal leading comrade in the locality what responsibility he should assume for the incident. The leader replied without hesitation: "I only assume responsibility for being bureaucratic." In saying "I primarily assume the responsibility of being bureaucrat," the leader was probably well prepared, otherwise he would not have been able to make the remark so easily and lightly. However, while sitting in front of my television set, I was shocked at his remark. Is the remark "I only assume responsibility for being bureaucratic" incorrect? No. Those daring to assume responsibility for "being bureaucratic" are, after all, better than those performing their duties perfunctorily or muddling along. But I have always thought that this local official has held himself responsible and criticized himself in an inappropriate way. It is

a serious "responsibility" to illegally requisition thousands of mu of woods and pastures and destroy part of the "North China Shelter Belt"—a priority project subject to unified planning by the central authorities! China's "Land Law" laid down long ago that the requisition of more than 2,000 mu of farmland or more than 2,000 mu of other types of land is subject to approval by the State Council. The "Forest Protection Law" also stipulates that a shelter belt may allow regeneration-felling only and may not be used for other purposes. Local governments at all levels must assume responsibility for protecting shelter belts. Undoubtedly, Shenmu County serves as a law enforcer in protecting shelter belts. Does the remark "I only assume responsibility for being bureaucratic" suffice to settle the serious incident in which a law enforcer broke the law or performed his administrative functions against the law? How can he assume such a responsibility!

Are the leaders of Shenmu County ignorant of the relevant laws? No, they are not. When a reporter asked the country party secretary and county magistrate whether they had any idea of the national laws concerning land requisition and forest protection, they both replied: "Yes." I believe what they said. Moreover, before the incident was investigated according to law, all officials in the Shenmu County government knew full well that they had violated the law by doing as they had but none of them were afraid to assume legal responsibility. Did they have a "blunted legal sense?" It seems we can say so. Nevertheless, their doing so can never be explained away with a "blunted legal sense." In fact, they knew the law well but still they bypassed it. They are obviously the law enforcers, yet they still deliberately broke the law in performing their administrative functions. When their misconduct was revealed, they tried to use the remark "I only assume responsibility for being bureaucratic" to shirk serious charges by admitting minor ones and evade an investigation according to law. In so doing, do they not brazenly attack and blaspheme the law?

It should be noted that Shenmu County requisitioned land for development with the aim of expanding the local economy rather than "seeking the interests for certain people." This is actually a good thing. Nevertheless, I am afraid that if one has only good intentions but refuses to act according to the law, what one does will backfire. Under the conditions of a socialist market economy, administrative departments and leaders at all levels, no matter what they do and no matter what good intentions they have, should and must firmly foster the concept of performing their administrative functions and handling matters according to law and strictly use laws, decrees, and regulations to standardize their administrative conduct. Violators of laws, decrees, and regulations, whether they follow a "collective decision" or a decision "approved by six leading groups," must assume legal responsibility and can be investigated and punished according to law. There is no doubt about that.

The attempt to use the remark "I only assume responsibility for being bureaucratic" as an excuse to settle a matter or to evade investigation according to law is not only a stupid move but will never succeed.

Article Urges Curbing Superstitious Activities

HK0703130295 Beijing FAZHI RIBAO in Chinese 6 Feb 95 p 1

[“Legal Forum” article by Hua Fu (5478 1133): “Curb the ‘Ghost’ Craze”]

[FBIS Translated Text] In recent years, feudal and superstitious activities have been rampant in some places in our country. Shamanic witches dance into frenzies, geomancers search for auspicious locations, and fortune-tellers forecast good or ill luck. Some show business people are keen on making "ghost" films, some peddlers spread "ghost" rumors to promote sales, and some companies "develop ghost resources" by building palaces for the King of Hell in a big way. These villagers of the earth are not pious believers in ghosts. The reason that they eat human food, but talk ghost talk and do ghost-business is no more than to use ghosts to push the grindstone, and to treat nonexistent ghosts as tools to collect money. What they have done is having a negative effect on society. Here we can list at least the following crimes:

First, bringing psychological harm and creating tragedy. In a mountain village in Zhejiang, a peasant woman was suffering from tonsillitis. To make the woman come again and ask for her service, and to promote the business of another witch in another village, the witch in the village told the woman that she had cancer because of the ghost attached to her body. The woman was so worried that she became ill and entered a mental hospital where she spent more than 5000 yuan. Her family was reduced to poverty and ruin. Second, destroying the natural environment, on which people depend for survival. The unhealthy practice of destroy the forest to build tombs has become increasingly rampant in a place in Guangdong. The better-off people there, who believe in geomancy, build tombs where the geomancers think best, no matter whether it is a scenic spot or a tourist place, ruining the beautiful hills and forests. Third, disturbing the normal order of production and society. Not long ago, peddlers somewhere in Shandong spread a rumor saying that Mao Zedong and Chiang Kai-shek had started a war in the nether world and were in need of soldiers. They wanted to enroll some young men from this world because there were not enough hands there. All married women had to give talismans—such as eggs, fireworks, beer, peaches, and candles—to their brothers in order for them to remain unharmed. For a while, prices in the local markets soared and caused panic among the people. Fourth, eroding the party organism, and aggravating relations between cadres and masses. In the waves of superstition, not a few party member cadres have lost themselves to beliefs in ghosts and spirits. They

are happy when they get the number "eight" (prosperity) [the number eight is a homophone for the word "fa," meaning "become prosperous"] and worry when they get the number "four" (die) [the number four is a homophone for the word "si," meaning "die"]. The secretary of a township party committee in Shandong, though he had been educated by the party for many years, listened to a geomancer and moved his grandmother's tomb onto the campus of the village school. It not only disturbed the order of the school, but also stained the party's image and made a bad impression on the local people.

There are numerous reasons why superstitious activities are so rampant. Although we have carried out large-scale reform and education since liberation in order to transform social traditions, we have not thoroughly rid ourselves of feudal superstitious influences. The soil on which feudalism and superstition grow and spread still exists. Furthermore, since reform and opening up, quite a considerable proportion of administrators [wei zheng zhe 3634 2398 5074] have become immersed in economic work, consciously or unconsciously ignoring the prevention and criticism of superstitious ideological trends, and thereby providing a suitable climate for their revival. From the legal point of view, there is a lack of legal guarantees for the struggle against feudalism and superstition. This is also one of the very important reasons for the spread of superstitious activities.

To curb the "ghost" craze, first of all we must combine opposition to feudal superstition with the strengthening of party building at the grass-roots level. All party members or cadres who take part in superstitious activities and who have a bad influence on the people should be expelled from the party or discharged from their posts without leniency, according to the degree of their misconduct. We also can conduct evaluations of the career achievements of local cadres according to the effectiveness of their measures against superstitious activities. Next, we should draft relevant laws and regulations as soon as possible so as to switch the work against ghosts from an administrative track to a legal track, thus hanging the sword of Damocles over the heads of these ghost-invokers so as to give them something to fear. We also should fully utilize the mass media—such as newspapers, and radio and television stations—to spread scientific knowledge, driving away ghosts and spirits with the light of science, and leading the people out of the domain of feudalism and superstition.

CHINA DAILY Commentary Marks Women's Day

HK0803095095 Beijing CHINA DAILY in English 8 Mar 95 p 4

[CHINA DAILY Commentary: "Women's Battle"]

[FBIS Transcribed Text] Today Chinese women celebrate their own holiday together with their foreign sisters in the rest of the world.

For thousands of years during China's long feudal history, women were regarded as inferior to men. They suffered miseries only because they were born women.

Since the founding of New China in 1949, the people's government has consistently fought, through legal, administrative and educational means, for the elimination of discrimination and bias against women so that women can enjoy equal rights with men.

The past 15 years, with reforms and opening policy deepening across the country along with the prospering of the national economy, have been particularly crucial for women. Because of these changes, women have found an increasingly wider scope in which to bring their abilities into play. They have thus made their share of contributions to the advancement of society as a whole. As a result, the status and life of most women have been greatly improved.

However, there are inevitable disparities in progress given China's vast size and the different levels of development in the various areas. Especially, conditions of women leave much to be desired in poorer, out-of-the-way rural areas with little access to education.

On the whole, Chinese women's battle for equality with men and dignity for themselves is still a long and arduous one. It calls for the concerted effort of the government, non-government bodies such as women's associations and the public, including women themselves.

The recent approval of the National Programme for Women's Development in 1995-2000 by the Women and Children Work Committee under the State Council is the latest concrete example of the concern of the government for women's cause.

The programme focuses on solving the problems of women in the course of building a socialist market economy and on women's participation in social development.

Meanwhile, China has made a report on the implementation of the Nairobi Forward-Looking Strategy for the Advancement of Women. The report pledges to appoint more women to senior official posts, create more job opportunities for women, make access to education easier to women and crack down more effectively on violence against women.

Chinese women have an additional reason to feel joy while celebrating their holiday this year. For the United Nations' Fourth World Conference on Women will be held in the nation's capital of Beijing in September.

With "Equality, Development and Peace" as its theme, the Fourth World Conference on Women will review the world's implementation of the Nairobi Strategy and urge the fulfillment by the various nations of the Nairobi goals in the last few years of the 20th century.

The conference will be attended by about 30,000 delegates from more than 100 countries, the largest gathering to date of world women. It will give great impetus to the advancement of the women's cause around the globe.

China deems it a great honour to host this grand meeting of world women and sees it as a good opportunity to promote the cause of Chinese women and make friends with women from other nations.

China is doing its very best in the preparatory work to ensure the success of the conference.

We pay our holiday greetings to world mothers and sisters. As a media unit we pledge to give the best possible service during the September meeting in the interests of world women.

Military & Public Security

Circular Places Restrictions on Security Personnel OW0703165195 Beijing XINHUA in English 1519 GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—Public security personnel are prohibited from attending public or private banquets or feasts affecting the exercise of their duty, according to a circular issued by the Ministry of Public Security.

The ban, promulgated in response to a similar one announced by the Communist Party of China's Central Commission for Discipline Inspection, applies to public security personnel in charge of social order, traffic, fire control, registration of permanent residence and computer security supervision.

Aimed at combatting corruption and ensuring strict enforcement of the law, the circular especially stresses the ban for those responsible for approving and granting driving licenses, passports and residence certificates—all areas most likely to invite bribery.

According to the circular, violators of the ban will face criticism, or disciplinary measures. The related leadership will also be held responsible.

Cadres From PLA Organs Receive Training in Army Units

HK0703141495 Beijing JIEFANGJUN BAO in Chinese
28 Feb 95 p 1

[Report by Jiang Cheng (5592 6134), Zhang Dongwen (1728 2639 2429), and Dai Xuguang (2071 2485 0342): "Another Group of Cadres From the Three General Departments of the People's Liberation Army Will Go Down to Grass-Roots Units as Acting Commanders"]

[FBIS Translated Text] Beijing, 27 Feb (JIEFANGJUN BAO)—In line with the decision made by the Central Military Commission [CMC], 86 cadres at the army, divisional, and regimental commander level from the

three general departments of the People's Liberation Army [PLA] and the general office of the CMC will go to PLA units in Shenyang, Nanjing, and Guangzhou military regions between late February and early March to receive training while working in the capacity of substitute officers. Some cadres from the General Logistics Department also will go to receive training in grass-roots units under its jurisdiction in remote areas, where conditions are arduous. This will be the third group of cadres sent by the three general departments and the CMC general office since 1993.

In 1993 and 1994, the three general departments and the CMC general office enlisted two groups totalling 96 cadres at the divisional and regimental commander level to receive training and to work as substitute officers in PLA units. During the period of their work as acting divisional and regimental commanders, they played the "role" as masters rather than guests, fulfilled their duties conscientiously, learned from others modestly, set stringent demands on themselves, and performed their duties assiduously so as to enhance their standard through training. As a result, they were universally praised by officers and men in the PLA units. They listened carefully to the opinions of the grass-roots units on army building, made serious analyses on and investigation into the problems existing in grass-roots army building, and fed their findings back to the leading organs in a timely manner, thereby exercising a positive role in helping leading organs study and resolve these problems. Having worked and lived in the PLA units for a year, they felt deeply that "they had benefited from the training all their lives." They said: "Based on the grass-roots units, we can see the weakness in our office work even more clearly. This is conducive to enhancing our awareness of keeping the grass roots in view, getting closer to the masses, and taking firm control over the implementation of various measures." Everyone in the organs and PLA units felt that the policy decision of the CMC regarding cadres' working as substitute officers in grass-roots units has been proven correct in practice. Hence, it should become a long-standing rule and regulation to be adhered to persistently.

On the eve of the departure of the third group of cadres from the General Staff Headquarters, Chief of General Staff Zhang Wannian set concrete demands on them, saying: "It is necessary to treasure the opportunity of this training to elevate your quality. In the units, you should not act as special persons, do special things, or ask for special treatment. You must consciously create four images for others: The image of carrying out the party's line, principles, and policies in an exemplary way; the image of studying assiduously and working diligently; the image of doing practical things and concentrating your energy on implementation; and the image of respecting cadres, loving soldiers, working honestly, and exercising self-discipline."

The General Political Department organized a forum in which cadres of the second group who had just returned

from the grass-roots units participated, along with those of the third group who were about to leave. There, comrades who had returned after completing their training briefed the participants on the conditions of the troops with whom they had stayed, and on the experience they had gained during their work as substitute officers. General Political Department Director Yu Yongbo, Deputy Director Zhou Ziyu, and Assistant Director Tang Tianbiao attended the forum. Yu Yongbo pointed out: There are at least three advantages when cadres go down to grass-roots units to work as substitute officers. First, they can emulate the fine style of thinking in the PLA units, which will contribute to raising their ideological consciousness and transforming their world outlook; second, they can develop their abilities, which is of considerable significance in improving the structure of organs and enhancing the quality of cadres; and third, they can cement closer relations and build up a deeper feeling between the organs of the general departments and the grass-roots PLA units, thus giving an impetus to changing their work style.

The General Logistic Department conducted special training for the cadres who were going down to the grass-roots units to work as substitute officers. Political Commissar Zhou Keyu, Deputy Director Wang Tailan, and Deputy Political Commissar Yang Deqing fully affirmed the achievements attained by the second group, and hoped that the third group would score even better results than its predecessor. The departing cadres said that they certainly would live up to the expectations of the leaders of the CMC and the general departments, conscientiously temper themselves in the thick of their lives in the grass roots, modestly learn from the grass-roots officers and men, and always set strict demands on themselves, so that they will be able to bring home good experience and leave fine images behind them.

PLA Urged To Stress Clean Administration

HK0803080295 Beijing JIEFANGJUN BAO in Chinese
21 Jan 95 p 1

[Report by Ji Wen (4764 2429) and reporter Zhu Ruiqing (2612 3843 3237): "Increase Strength, Perfect Mechanisms—All-Army Conference on Discipline Inspection Stresses Further Promoting the Building of Party Style and Clean Administration in the Army"]

[FBIS Translated Text] Beijing, 20 Jan—An all-army discipline inspection work conference was held today. The main aims of the conference were, in accordance with the requirements of the party Central Committee, the Central Military Commission, and the Central Discipline Inspection Commission, to sum up and make deployments in the work of opposing corruption and promoting clean administration in the Army, and to study how to continually deepen and grasp well the work of building party style and clean administration in the Army.

This conference, which was convened by the General Political Department and the Discipline Inspection

Commission of the Central Military Commission, was approved by the Central Military Commission. At today's conference Zhou Ziyu, deputy director of the General Political Department and concurrently secretary of the Central Military Commission's Discipline Inspection Commission, gave a work report, while Xu Huizi, deputy chief of the general staff and deputy secretary of the Central Military Commission's Discipline Inspection Commission, chaired the conference.

While summing up the work of opposing corruption and promoting clean administration in the armed forces over the last year, Zhou Ziyu pointed out that in 1994, under the correct guidance of the party Central Committee and the Central Military Commission, party committees and discipline inspection commissions at all levels throughout the whole Army had further strengthened consciousness and initiative in grasping the building of party style and clean administration. They had also realized varying degrees of success in the various aspects of work in opposing corruption, and there had been new progress in building party style and clean administration within the Army. The consciousness of leading cadres and leading organs in honesty and self-discipline while performing their duties had been further raised and some prominent problems had been corrected or controlled. There were breakthroughs in investigating and handling a number of cases involving violation of law or discipline, including some major cases. However, there remained some problems and weak links in the work of opposing corruption and promoting the building of clean administration.

The "Report" pointed out that 1995 is a year when, in the new situation, major work will be done in strengthening party building. Strengthening the building of party style and clean government is a major component of strengthening party building, and party organizations at all levels must seriously implement the spirit of the Fourth Plenary Session of the 14th CPC Central Committee and the "Resolution" of the Central Military Commission on further strengthening party building within the Army. They must also implement the spirit of the Fifth Plenary Session of the Central Discipline Inspection Commission, firmly uphold the overall set-up for the three types of work in opposing corruption and promoting clean administration as set down by the Central Committee and the Central Military Commission, put efforts into deepening this work, increase strength in getting to the root of the major problems, resolving the problems, improving and perfecting supervisory and restraint mechanisms, and further improving the building of party style and clean administration within the Army.

The "Report" also pointed out that strengthening ideological and political education is a basic measure in deepening the work of opposing corruption and promoting clean administration. In order to increase the power of ideological and political education so that the broad masses of party members and cadres establish a

correct view of life and correct values, and truly engage in unceasing work of opposing corruption, it is necessary to organize, in a planned and step-by-step way, party member and cadre study of regulations from their economic and moral angles, and to strengthen their consciousness in observing discipline and the law. Party committees at all levels must carry out strict supervision and inspection and strengthen supervision within the party committee. The secretary and deputy secretary must provide a model through their own actions, so as to uphold the various standards and regulations relating to honesty and self discipline within party life. They must firmly uphold a responsibility system for building party style and clean administration, and those assigned responsibility at each level must handle the work at that level by firmly managing the building of party style and clean government within their range of responsibility. Party committees, discipline inspection commissions, and the various organs and departments must be assigned clear responsibilities and each must be responsible for its own duties, so that things can be managed jointly. The broad number of discipline inspection cadres must uphold principle, be devoted to their duty, and make new contributions to strengthening the building of party style and clean administration within the Army.

Military members of the Central Discipline Inspection Commission, the Central Military Commission's Discipline Inspection Commission, as well as discipline inspection commission secretaries and heads of discipline inspection departments of the various major units and PAP headquarters participated in today's conference.

PLA Navy Signs Agreement With Defense Manufacturers

HK0803080395 Beijing JIEFANGJUN BAO in Chinese
14 Jan 95 p 2

[Report by Chen Wanjun (7115 8001 6511) and Chen Guofa (7115 0948 3127): "First PLA Pact on Jointly Building Combat Capacity Signed in Shanghai"]

[FBIS Translated Text] Shanghai, 13 Jan—Today we were informed by relevant departments that our Army's first joint-construction "pact" for the purpose of turning new equipment into combat capacity as quickly as possible was signed in Shanghai, China's largest shipbuilding industry base. This shows that the navy's new equipment and technology guarantee service is moving toward standardization. Its official implementation will enable the process of turning new naval equipment into combat capacity to ride the "express train."

This "pact," which has four chapters and 14 articles, was signed between the PLA Navy's Shanghai Military Representative Bureau, representing over 100 factories and research institutes which produce equipment, and a particular destroyer detachment under the East China Sea Fleet, representing 10 naval ship units. The "pact"

sets out "four obligations" for the equipment manufacturers: When they deliver equipment, they will at the same time hand over all blueprints and drawings, spare parts, specialized tools, and testing instruments and meters, so that the equipment is complete with all necessary accessories; when a shipyard is engaged in building a ship, sailors will be able to enter the shipyard and participate in the whole process of building the ship, so that the sailors truly "understand" their equipment; while new equipment from any factory is going through trials, the forces will engage in training courses with the equipment, so that there is an organic link between the handing over of equipment and training; experts will come on board ship to provide follow-up service, and they will remain until the sailors have attained specialized up-to-standard certificates, and the equipment has been converted into combat capacity. The "pact" also gives the users "three rights": When new equipment is being developed and produced, they have the right to carry out quality supervision and checks; when receiving new equipment, they have the right to reject products that are not up to standard or not integrated; when new equipment is put into use and quality problems are encountered, the users have the right to make direct complaints and proposals to the factory. These obligations and rights "bind" on the same ship the factory director and the ship's captain, specialists and sailors. This is an effective way to ensure that new equipment is turned into combat capacity as quickly as possible.

This joint-construction "pact" is the result of three years of arduous exploration by the Shanghai Military Representative Bureau and this particular destroyer detachment. In the past, it took at least two years after delivery of equipment to turn it into combat capacity. It even occurred that new equipment, after delivery to the unit, was left sitting on "the cold bench." In response to this situation, the Shanghai Military Representative Bureau, which undertakes most of the ordering for new naval equipment, sent over 1,000 specialist consultancy groups and equipment repair and follow-up service teams to islands in the ocean and onto warships where they carried out many surveys and did research. Also, on more than 10 occasions they sent persons to participate in technological guarantee work during major military exercises. During this work, they explored new avenues for turning new equipment into combat capacity as quickly as possible. All of the new equipment for which they provided technical guarantee services was turned into combat capacity in the same year as it was handed over.

Editorial Afterword [bian hou 4882 0683]: Standardize Technical Guarantee Service Systems

Following the rapid development of high technologies, a large number of advanced weapons and equipment types have been employed throughout the armed forces. However, as some of our forces are not yet equipped with the right conditions, lack highly-trained personnel for maintaining and managing the equipment, and in many cases,

no training materials or parts are provided for the equipment, it is difficult to quickly turn new equipment that has reached the forces into combat capacity. Some equipment is even left "sitting on the shelf" for long periods of time. To break through the magic circle resulting from "seeking modernization but concurrently fearing modernization," it is necessary to rely on efforts by the forces themselves. However, it is also extremely important that they be given support and assistance by national defense industry development and production departments and military representatives. We hope that a greater number of national defence industry departments and defense industry enterprises as well as the military representative system will shoulder responsibilities in these areas and, like the Navy's Shanghai Military Representative Bureau, systematize and provide a legal basis for this work. [end editorial afterword]

Further on Purchase of Russian Submarines

*OW0703141195 Tokyo ASAHI SHIMBUN in Japanese
7 Mar 95 Morning Edition p 9*

[By correspondent Nokiyoshi Itokawa]

[FBIS Translated Text] Beijing, 6 Mar—Premier Li Peng, in his government work report delivered to the National People's Congress [NPC] (equivalent to the parliament), unveiled China's policy of attaching importance to the sea by stressing the importance of "protecting China's maritime rights and interests" at a time when moves by the Chinese Navy [to modernize itself] are causing jitters among China's neighbors. On 6 March, the Chinese premier presented the NPC with a

draft budget for FY 1995 that called for a sharp increase in defense spending. China has promoted the modernization of its naval weaponry by purchasing advanced submarines from Russia. This series of moves by the Chinese Navy is likely to have a subtle influence on diplomatic relations between China and the rest of Asia.

According to an informed source in Beijing, China has concluded a contract with Russia to purchase four Kilo-class submarines, and one of them was recently delivered to the North Sea Fleet in the port of Qingdao.

China has about 50 submarines, but most of them are obsolete. China's purchase of advanced submarines from Russia is understood to be part of its efforts to modernize its navy. According to the same source, the Chinese military, at a meeting held last year, decided to build aircraft carriers. China has yet to start building them, but it is certain that China will have aircraft carriers some time in the future.

China is said to be modernizing its naval weaponry with an eye on the Spratly Islands, which are claimed by many other Asian nations. The view is surfacing in Beijing that the submarines to be purchased from Russia will be deployed near the Taiwan Strait.

China has continued to declare clearly since the 14th NPC [figure as published] in 1992 that the "protection of its maritime rights and interests" is one of the Chinese military's duties. At the time, attention focused on the disputed Spratly Islands, and China's declaration heightened fears of a threat from China.

General

Hu Qili Promotes New Communications Network

HK0803062595 Hong Kong *LIEN HO PAO* in Chinese
25 Jan 95 p 10

[“China Observation” column by Yun Shang-feng (0061 0006 7364): “Hu Qili Breaks Information Network Monopoly”]

[FBIS Translated Text] If one wants to establish a high-speed information highway of real significance, the first thing it is necessary to have is a new, wide-ranging network to spread information.

In March this year, in the Meizhou and Guangzhou regions of Guangdong, the so-called Second Communications Network will be put into use. This is a communications network that is separate and independent from the Ministry of Posts and Telecommunications network, and its first venture will be “portable telephone” communications.

This is the first time since the founding of the PRC that the Chinese Communists have broken the Ministry of Posts and Telecommunications monopoly on telecommunications. The one who promoted this move was Hu Qili, former member of the CPC Central Committee Political Bureau and its Standing Committee, and currently minister of electronics industry.

After Hu Qili was reappointed as minister of electronics industry, he began to make arrangements to set up the Second Communications Network. This will stand apart from the existing network, will provide a challenge to the existing network, and will create new competition.

Hu Qili's idea was that by utilizing the existing national telecommunications networks of the Ministry of Railways, Ministry of Electronics Industry, and military units, and by importing some advanced international wide-band equipment and importing other advanced telecommunications technology from the United States, not only would it be possible to transform and expand the original specialized networks, it would also be possible to operate telecommunications services for society.

Hu Qili's idea was approved by Zou Jiahua and supported by Jiang Zemin, who was once the minister of electronics industry. He then began, together with the Ministry of Power Industry and Ministry of Railways, to smoothly organize the “China Joint Communications Limited Corporation,” also called “Liantong” [5114 6639] for short.

This company has a registered capital of 1 billion yuan and is thus considered a large-scale shareholding enterprise. Thirteen major companies and groups, including the Everbright Company, the Huaneng Group, China Resources Corporation, the China Merchants Group, China Chemical Industry Import-Export Corporation, and the China Technology Import-Export Corporation,

have invested in the company, and contracted capital has amounted to 1.34 billion yuan.

According to sources, Liantong Corporation is now establishing branch companies in provincial capitals such as Guangzhou and Shanghai [as published], and is establishing the Second Communications Network to directly engage in international and domestic telecommunications business.

Liantong Corporation's key mission is to lay the foundation for building a high-speed information highway. Hu Qili has said that the first step is to carry out transformation of the specialized networks of the Ministry of Power Industry and the Ministry of Railways and to link these with the existing public-use communications network.

For special reasons, the four major telecommunications networks of the army, the petroleum industry system, the banks, and the Ministry of Communications will not, for the moment, be brought into Liantong's network.

The company plans within the next five years to invest 100 billion yuan on transforming and linking the specialized networks, on portable communications, satellite communications, and expanding business. By the year 2000, the company will be providing 10 percent of all national long-distance telephone services and 30 percent of portable communications services, and will have achieved international link-up for the Second Communications Network.

It cannot be denied that the emergence of Liantong will break down the monopoly operations of the Ministry of Posts and Telecommunications and will also break down the existing lines of separation between ministries. It will thus be possible to kill two birds with one stone, and this will allow the mainland's communications system to advance toward a new milestone.

Labor Ministry To Improve Statistics on Employment

HK0803075795 Beijing *CHINA DAILY* in English 7 Mar 95 p 2

[By Cao Min: “Gauges of Labour To Be Modified”]

[FBIS Transcribed Text] The Ministry of Labour plans to revamp the way it measures work force to improve the calculation of China's labour force.

In a joint project with the State Statistics Bureau, the ministry will lay down guidelines on definitions of employment and unemployment in a bid to get more accurate statistical data for labour employment policy-making.

The ministry said the new definition for being categorized as jobless will be job-hunters who are capable of working within defined labour ages but have no job during the official investigation.

The category will include students over 16 and graduates from various schools who fail to find a job, unhired people from bankrupt enterprises, people whose labour contracts ended or are dismissed by firms and those who resigned without having another job.

Current labour statistics define the minimum age of the unemployed as 15 and calculate the unemployment rate based on the number of jobless registered with labour departments.

This year, the Ministry of Labour says it will randomly sample several pilot cities.

The new method defines 16 as the minimum and 60 as the maximum age brackets of the unemployed.

Last year, China's unemployment rate was 2.8 percent and there were about 4.8 million people in cities and towns who were jobless.

But the figure could actually be higher once the new calculating method is implemented, officials said.

To curb the growing jobless problem, the Chinese Government has taken active measures to increase job opportunities.

Last year, 7 million of the new urban workers obtained jobs.

Re-employment projects, which offer retraining and job-hunting services in addition to subsidies to help people find jobs, placed 1 million unemployed urban people with jobs.

The setting up of township enterprises is encouraged in the countryside to help absorb rural labour, and they have already recruited some 100 million workers.

As about one-third of State-owned enterprises went into the red, their ability to recruit workers decreased in the past year while the number of surplus rural labourers increased.

Officials say China, the world's most populous country, is now facing a huge burden of unemployment.

Every year, 10 million more people enter the job market in urban areas.

They are joined by the 17 million workers in loss-making enterprises who are waiting for new jobs.

Article Views Problems Posed by Unemployment Pressures

HK0703085795 Hong Kong MING PAO in Chinese 20 Jan 95 p B1

[Article by special correspondent Shih Hwa (4258 5478): "Difficult Task of Controlling Unemployment Rate Below 3 Percent This Year"]

[FBIS Translated Text] This year, in China's urban areas, employment arrangements will be made for about

11 million persons, but the prospects of keeping the unemployment rate at 3 percent as set out in state plans are not optimistic. Sources quote experts as saying that unless the authorities achieve major breakthroughs this year in terms of the industrial structure, speed of economic development, and employment policies, the pressure of unemployment will remain a serious problem in China's socioeconomic life.

The sources note that the experts have compiled a forecast and have submitted it to the high echelons of the CPC. The report notes that in resolving China's unemployment problem, stress should be placed on the efficient transfer and full utilization of surplus agricultural labor.

The report estimates that China's demand for urban labor in 1995 will be 167 million persons, while supply will be 172.04 million persons, giving a supply-demand difference of 5.04 million persons. The urban unemployment rate will be about 2.9 percent. However, to achieve this goal, very great efforts will have to be made. The experts point out that the following factors will exert great pressure on the authorities' efforts to control unemployment.

—Following the implementation of the "Labor Law," some loss-making and bankrupt enterprises will push more surplus personnel into society. If the number of surplus personnel which enterprises can push into society is allowed to rise by 1 percent, this will add 1 million persons to those seeking employment.

—Individual and private operations, township and small town enterprises, and the service industry played an important role in resolving the unemployment problem during the 1980's. However, they will enter a stage of slow development this year and it will be difficult for them to absorb more personnel.

—Trade protectionism by regional economic groupings in the international arena has again raised its head, and to a certain degree this will limit the expansion of labor exports by China.

—The central authorities are going to increase the strength of macroeconomic regulation and control to further slow the speed of national economic growth. It will not be easy, at the same time as guaranteeing employment, to maintain 20 percent growth in labor productivity, as proposed by the state. The report points out that in 1995 the rate at which agricultural labor is transferred will see a marked increase. Of the surplus labor in China's rural areas at present, 50 to 60 million are in a floating situation. Over 20 million of these have floated to regions other than their own. It is estimated that the figure will rise to about 25 million this year. How to organize the opening up of local employment opportunities for such workers and organizing their movements between regions are major issues to be faced in employment work in 1995.

Estimate of China's Labor Employment in 1995		
Year	1990	1995
Population	1.14333 billion	1.22265 billion
Population of Working Age (Men 15-59) (Women 15-54)	685.19 million	727.92 million
Actual Labor Force	567.40 million	629.11 million
Staff and Workers (Whole-people, collective, other)	140.59 million	155.01 million
Individual Laborers in Urban Areas	6.71 million	17.03 million
Rural Laborers	420.10 million	457.07 million
Retired Laborers	23.01 million	30.33 million

Migrant Labourers Make Great Contributions to Society

HK0703144595 Beijing ZHONGGUO XINWEN SHE in English 1325 GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (CNS)—In recent years, there have been more and more migrant labourers appearing everywhere in China. When people talk about the migrants, they always mention the problems these labourers have brought about, and seldom remember the positive contributions made by these people. In fact, the migrant labourers have made great contributions to society.

According to statistics, 60 percent of the workers in the 500 largest township enterprises in the whole country are migrant farmers. Among the farmers who go to work in Guangdong, 70 percent of them work in township enterprises. The 130,000 migrant labourers in Wuxi of Jiangsu Province make up a quarter of the non-agricultural labour force. In 1988, Baoan in Shenzhen employed more migrant labourers than local people. In other words, the cheap labour force provided by farmers has supported the development of rural enterprises as well as foreign-funded enterprises. The rapid economic development in prosperous regions is closely connected with the contributions of the labour force provided by migrant farmers.

These migrant farmers have also contributed to their hometowns. In 1993, the total income of migrant farmers in Sichuan was over RMB [Renminbi] 10 billion. Their remittance received through the post office was over RMB 5 billion, which was one-sixth of the total income of the farmers in the whole year. After several years' hard work, these wage-earners return to their villages to start their own business, thus becoming the backbone for the development of township enterprises. In Fuyang of Anhui, there are more than 700 enterprises run by returned migrant labourers. In some counties, their output value, profit, tax and absorption of the remaining agricultural labour force represent a quarter of those of local township enterprises.

State Enterprises' Losses Continue To Grow

HK0803065395 Hong Kong SOUTH CHINA MORNING POST in English 8 Mar 95 p 7

[By Dede Nickerson in Beijing]

[FBIS Transcribed Text] Losses incurred by state-owned enterprises continue to grow, remaining a huge burden as China reforms fiscal policy.

At a press conference yesterday, Minister of the State Economic and Trade Commission Wang Zhongyu and Labour Minister Li Boyong gave a candid assessment of problems facing the state sector.

"With the deepening of reform, the contradictions resulting for the transformation of the management mechanism have been sharpened. These problems can only be solved by deepening reform," said Mr Wang. He drew attention in particular to poor management and the inability of firms to adjust production to meet market demand.

Mr Wang said: "Some money-losing enterprises are not very conscious of the needs of the market and their reputation in the market." He said these enterprises would be told to adjust accordingly in 1995.

China's loss-making state firms cost the country billions of yuan in 1994—the unsold product inventory increased by 100 billion yuan (HK\$91.70 billion) compared with the 1994 value. More than 70 per cent of bank loans currently go to state firms, according to official data. This is seen as a major obstacle to China's efforts to reform the banking system.

One of the proposed solutions is simply to allow unprofitable firms to go bankrupt and Prime Minister Li Peng acknowledged that very proposal in his annual address on Sunday. Mr Li said all relevant parties were now working on development of job opportunities. However, analysts are sceptical about how far China will go with the bankruptcy experiment because maintaining social stability remains a top priority for the central authorities.

Despite the mooted bankruptcy law, analysts are not confident such a step will be enough or, indeed, that it will be implemented soon.

Executive director of Asia Infrastructure Fund Ted Rule said: "It's desirable that they should have a bankruptcy law, but we've been hearing about it for years and so far, nothing has been done."

"When the Government takes such a step, it's imperative that they allow foreign banks to access the assets of the bankrupt companies."

A grey area also exists in the bankruptcy arena when assessing who has control of assets.

Mr Rule explained: "As it stands, you cannot distinguish between the assets of the company and those of the state.

Until this issue can be resolved, they are going to have problems getting foreign banks interested."

Mr Wang said the question of property rights would be looked at on a selective basis. He said experiments would take place in some pilot enterprises in an effort to study the issue.

Some officials believe reforming state-owned enterprises will get a big push this year as the Government gets serious about controlling inflation.

"The Chinese Government recognises excessive bad loans to SOEs (State Owned Enterprises) has an inflationary effect and that this cycle cannot be maintained at its current levels," said one NPC delegate.

Auditors Uncover Fraud in Communications Enterprises

HK0803102395 Beijing ZHONGGUO XINWEN SHE in English 0901 GMT 8 Mar 95

[FBIS Transcribed Text] Beijing, March 8 (CNS)—The Chinese auditing authority has made sound achievements in enforcement of auditing laws and regulations in communications enterprises in the country.

According to the statistics of the Ministry of Communications, last year, auditing departments audited 10,891 items, which were 130.8 percent of the plan, discovering RMB [Renminbi] 749 million illegally used in communications enterprises across the country, which increased by 13.8 percent compared with 1993. The discovered also included the failure of handing over RMB 30.86 million to the State, increasing by 141.5 percent and loss and waste of RMB 74.52 million. [sentence as received]

At the recent working conference on auditing held by the Ministry of Communications, Huang Zhendong, Minister of Communications, said that the auditing organs must tighten their supervision and auditing over large and medium-sized enterprises in order to help enterprises to strengthen their management, especially loss-making enterprises to cut down their deficits and increase profits.

Paper Criticizes Declining Standards in 'Collectives'

HK0803064895 Beijing FAZHI RIBAO in Chinese 6 Feb 95 p 2

[By Liu Yibin (0491 0110 6333): "The Downward Slide of 'Collectives'"]

[FBIS Translated Text] The Chinese nation is one which emphasizes "collectives," or in other words, a nation with collectivism as its cultural background. What is positive about it is obvious: Collectives have a positive complementary function. That is why we have such sayings as "collective wisdom" and "pooling the wisdom of the masses." Collectives also have a wonderful way of "sublimation" as in "1 + 1 = 2" because, as composites,

they are no longer the simple sum of individual energies. Furthermore, collectives have a strong restraining and supervisory function. How can this be demonstrated? To put it colloquially, the Chinese believe very much in "face-saving," paying great attention to the comments and evaluations of others. If they want to do something dishonorable or not quite so decent, they will do it covertly. They will not make it known unless it is extremely necessary. "Behave yourself when on your own," as advocated by some ancients, is something beyond them. "Nothing is more visible than a secret and nothing is more obvious than the minute. Therefore, a gentleman behaves himself when on his own." Being "on one's own" means being unnoticed. If a gentleman can behave himself even when he is alone, under public supervision by the collective and people there will be even less of a problem. From this we can see how important a role the "collective" plays, whether in upholding a correct idea, cultivating good personalities, or maintaining true, good, and beautiful behavior. However, there has been an unconventional new trend in recent years which cannot be denied. Some "collectives" are weakening their functions of constraint and supervision. Quite a few social evils, formerly executed by individuals are now committed by "collectives."

It was reported in the press that in a certain northern county that, to cope with an inspection of the market price for rice by a superior, "county leaders" called an emergency meeting of some cadres at the section level and openly explained the positive significance of faking on behalf of the whole county. They then assigned them to go to the market to replace the vendors and sell grain at a low price. It is surprising that such absurd collective prevarication, which even children knew was a nonsensical act of "stealing bells with one's ears covered," was carried out smoothly and the leaders were commended. Those who suffered were the people of the county. Some time ago, there was a case of collective violation of the law which was really "sensational." A certain coastal township, famous for its "Wulong" and "Tieguanyin" teas, lured businessmen there from other places, illegally detained them, and used hair-raising cruel and violent means to force them to sign various purchase contracts. A village party branch secretary in the township took the lead in beating people and the village security director talked openly about this "policy" to the villagers: In this deep mountain, laws mean nothing and what we say is the law. The township government guesthouse was the place where the hostages were locked up and the local police station connived with the law violators.... Such absolute collective lawlessness has rarely been seen at any other time or place at home and abroad. Visiting prostitutes can be said to be something that is most shameful. In a crowd there are always some lustful people but they do this covertly and today there is a new development: The previously unheard of occurrence wherein the leader of a certain enterprise led the collective to visit prostitutes. But if we think deeper, do the bad things done by collectives stop here? We do not have

to mention collective sightseeing at public expenses, collective squandering of public property, collective tax evasion, or collective corruption (such as the acceptance of bribes, directly and indirectly). Just look at the enterprises which manufacture fake and shoddy goods which rob and kill people. Are these done by mere individuals?

There are profound social reasons for the downward slide of "collectives" and their development into various criminal or absurd collectives and we expect sociologists to do systematic studies on these. The basic point is the people's confusion about right and wrong and the drop in moral standards in society. What is right and what is not? What is true, good, and beautiful? What is fake, evil, and ugly? These are not so hard to tell apart and can be established in the course of distinguishing them. In a collective it is hard to avoid debates about right and wrong and about beauty and ugliness. This shows that people have not lost the ability to tell the difference and what results from the debates is the rejection of what is fake, evil, and ugly. Debate itself functions as a constraint by public opinion. If there are no more debates in a collective (regardless of its size), and even no more jokes about "the pot calling the kettle black" but only general collusion, then what kind of collective is that?

Commentary on Falsification of Statistics

HK0803054595 Beijing XINHUA Domestic Service in Chinese 0901 GMT 2 Mar 95

[("Short commentary" by staff correspondent Zhang Jinseng (1728 6930 0524): "Falsifying and Doctoring Statistics Will Lead Country Astray"]

[FBIS Translated Text] Beijing, 2 Mar (XINHUA)—The unhealthy practice of falsifying, doctoring, and exaggerating figures in statistical work has spread in some localities and departments. Reports on local and departmental work differ widely from actual conditions, and some statistics have been heavily doctored. We must take this very seriously.

Falsification causes untold damage. First, ideologically, it violates the party's ideological line of seeking truth from facts and tramples on the party's fine tradition and work style. Second, politically, it seriously hurts the image of the party and the government and even causes the people to lose faith in them. Economically, if macroeconomic policies are not based on accurate statistics, they will go wrong and cause inestimable losses to the national economy and social development.

Falsifying figures in statistical work is counterproductive and very corrupt. We oppose falsification. Leading cadres at all levels are at the center of this situation. Persons-in-charge of some localities, departments, and enterprises sacrifice the interests of the country and people for the sake of promotions and their individual interests by condoning, suggesting, tempting, tacitly allowing, instructing, or pressuring staff to grossly falsify

statistics. Such actions and people must be sternly disciplined and punished according to party discipline and state law.

Efforts to stop falsification and render figures accurately is not just a purely technical matter in statistical work, but is also a political and social matter. Party committees and concerned governments at all levels must coordinate efforts, tackle this matter jointly, and pursue it energetically as an important link in strengthening education in the party's ideological line of seeking truth from facts and maintaining close ties with the masses. As government information organs, statistical departments have an unshirkable responsibility to pursue vigorously and relentlessly the central mission of ensuring statistics are accurate.

Falsification and doctoring figures will lead the country astray. We believe that as the central authorities' comprehensive remedial measures to stop falsification and statistics doctoring are gradually implemented, and with joint coordinated action by the departments concerned, falsification and statistical doctoring will be deprived of the soil from which it has sprung and a market through which it spreads.

Second-Largest Offshore Gas Field Discovered

OW0703170295 Beijing XINHUA in English 1624
GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—China has discovered its second-largest offshore gas field, in the western part of the South China Sea, according to the National Offshore Oil Corporation (CNOOC).

The gas field, code-named Dongfang 1-1, covers an area of about 170 sq [square] km in the Yingchai basin.

The field has an estimated reserve of 60-70 billion cu m [cubic meters], second only to Yacheng 13-1, which is located about 100 km off the port city of Sanya in Hainan Province, and has a proven reserve of up to 100 billion cu m.

The corporation has sunk five wildcat wells in the past three years in the Dongfang 1-1 structure.

The field is not too deep and has abundant deposits, the report said.

"The discovery of Dongfang 1-1 promises a good future for the prospecting of gas fields in the western part of the South China Sea," the report commented.

Beijing Plans on 2,216 Passenger Planes in 20 Years

OW0703131795 Beijing XINHUA in English 0743
GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—By the year 2013, China's passenger fleet of civil aircraft will be expanded to 2,216, of which 1,748 will be large

and medium-sized passenger planes and 468 smaller ones, according to aviation sources.

At present China has some 400 passenger planes of various kinds for civil aviation purposes.

According to a long-term forecast released this week by the China Aviation Industrial Corporation, by the end of the century, China will have 534 large and medium-sized passenger planes and 125 small passenger planes.

From 1994 to 2003, China will need 553 new passenger planes, 434 of them large and medium-sized ones, and from 2004 to 2013 will need 1,697 new passenger planes, 1314 of them large or medium-sized.

Considering the speed of development of the national economy and the management of civil aviation, the forecast said that from 1994 to 2013, China's civil aviation will enjoy an annual average increase of 12.3 percent in passenger load.

In 1995 some 65.3 billion person/km will be handled, by the end of the century it will amount to 131.3 billion person/km, and in 2013 will reach 482.8 billion person/km.

At present, China has 104 civil aviation airports, 14 of them with regular international flights. By the year 2000, the country will have 120 airports, and in 2010 the number will rise to some 160.

The forecast said that by 2005, the handling capacity of the Beijing, Guangzhou, and Shanghai airports will all exceed 20 million persons, and most of the major airports will be very busy.

Finance & Banking

New Securities Chief To Focus on Domestic Markets

HK0803064995 Hong Kong SOUTH CHINA MORNING POST in English 8 Mar 95 p 1

[By Dede Nickerson in Beijing]

[FBIS Transcribed Text] The new chairman of China's Securities Regulatory Commission, Zhou Daoqiong, is expected to sharpen the focus on the development of China's domestic markets.

He is regarded as more of a technocrat than his predecessor, Liu Hongru, who has been at the helm since the commission's inception in October 1992 and is to step down.

"I think he'll be a good man for the job. Mr Zhou is diligent and focused, he has the kind of energy the commission needs right now," said a banker.

Rumours regarding Mr Liu's resignation have been circulating in the financial community for some time but a source confirmed yesterday that he "will be leaving soon".

"At the age of 65, it's time to retire," a source in the commission said, adding that the departure was not related to the lacklustre performance of China's stock markets last year.

Analysts, however, are taking a different view. "Look at the current situation in the A and B share market as well as the performance of China's H shares. Nothing has been achieved in the past year, it's time for a new leader in that position," said Wang Xiaojun, a securities lawyer at Richards Butler who has been involved in a number of Hong Kong listings of Chinese enterprises.

Others say Mr Liu spent too much time worrying about Chinese enterprises listing overseas.

"He concentrated on the overseas listings and had little time to devote to the development of the domestic market as well as the laws," a representative of an American investment bank in Beijing said.

Another lawyer pointed out that after several years there was still no securities law in China.

Currently, the Interim Regulations for Issuance and Trading, promulgated in April 1993, and the Company Law are the main components of the legal framework. The securities law has been in the drafting process for several years, but has yet to be completed.

"As a lawyer, I would like to see the rules and laws promulgated more quickly," he said. "If the new leadership carries the spirit of the earlier years of market development then it will be a positive change."

Mr Zhou is Vice-Chairman of the State Development Bank and before that was chairman of the People's Construction Bank of China. At the same time he is Vice Chairman of the Securities Policy Committee, the organisation under the State Council with authority over the regulatory commission. The committee is chaired by Vice-Premier Zhu Rongji and comprises a cross-section of ministers and economic bureaucrats.

Mr Liu is well respected in Chinese financial circles for helping educate many of the country's rising stars in the banking world. During his tenure as first vice-governor of the People's Bank of China, Mr Liu established a graduate training school to create a group of qualified financial experts, many of whom are now in the People's Bank, the commission and other important financial institutions.

Mr Liu left the People's Bank in 1989 following the fall of former premier Zhao Ziyang and became vice-chairman of the State Commission for Reforming Economic Systems (SCRES). While at SCRES, he pushed forward plans to develop China's securities industry. Mr Liu is credited with playing a major role in rejuvenating the process, which was disrupted by the political trouble in 1989. He was attending the National People's Congress yesterday and was not available for comment.

Sources said that Mr Liu's expensive tastes in Armani suits and a love for golf and tennis may not have won him a great deal of admiration. They are also concerned at the frequency of his travels abroad. Some analysts doubt whether much will change at the commission with Mr Liu's departure.

Central Bank 'Regrets' Moody's Lowering Credit Rating

HK0703150695 Beijing ZHONGGUO XINWEN SHE in English 1143 GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (CNS)—A spokesman for the Bank of China [BOC] expressed the Bank's deep surprise and regret for Moody's announcement on March 2 that the US credit rating company intends to downgrade credit ratings for four Chinese banks including the Bank of China.

As everyone knows, China's economy continued to have a sound and rapid development in 1994. Its remarkable success in reforming finance and foreign exchange systems attracted world-wide attention. The Bank of China not only exerted an important and active role in reforming China's finance and foreign exchange systems, but also gained substantially in developing its own business. Especially since last year, some medium- to long-term plans have been drafted and a series of effective practices have been adopted in the fields of risk control, management over assets/liabilities ratio, enhancing staff training at all levels, etc. All these have raised the Bank's quality of assets and operational efficiency. In 1994, profits before tax of the Bank were RMB [Renminbi] 12.056 billion, increased by 22.53 percent over RMB 9.839 billion of 1993. As a result, the intention of Moody to downgrade the Bank's credit rating is not objective and pragmatic.

In future, the Bank will, as always, strictly abide by conventional practices and stipulations of international financial circles, and extend exchanges and cooperation with other banks. The 83-year-old Bank will continue to achieve more remarkable success following further economic and financial reforms in China.

Foreign Trade & Investment

Ministry Issues Policy on Joint Chemical Ventures

HK0803112095 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0710 GMT 21 Feb 95

[FBIS Translated Text] Beijing, 21 Feb (ZHONGGUO TONGXUN SHE)—China's Ministry of Chemical Industry recently issued "A Number of Opinions on the Setting Up of Foreign-funded Enterprises in the Chemical Industry". The aim of the policy document is to further open China to the outside world and guide foreign-funded enterprises in its chemical industry toward the path of healthy development.

The document pointed out that the chemical industry is an essential raw materials industry and that, as components of China's chemical industry, foreign-funded enterprises are a supplement to state-funded enterprises in the industry. Using foreign capital and technology to set up foreign-funded enterprises in the chemical industry is an important measure in the strategy to develop China's own chemical industry and has to be incorporated into the planning for the industry.

Establishing foreign-funded enterprises in China's chemical industry should facilitate the restructuring of the industry; upgrade its technology, equipment and management levels; improve the efficiency and competitiveness of its enterprises; and so promote the development of the industry.

The departments in charge of the chemical industry in all localities must attach importance to the development of foreign-funded enterprises in the chemical industry and give them guidance and support. They must give help and support to these enterprises in their initial formation, in the examination and approval procedures, and in supplementing them with domestic funds where necessary. They should carry out consultation work with regard to policy, legislation, and planning and provide the necessary information, as well as assist relevant departments to continually enhance the investment environment for foreign-funded enterprises and the external conditions for production and management.

The document has defined the scope within which the setting up of foreign-funded enterprises in the chemical industry is encouraged and the related policies as well as the scope within which the setting up of foreign-funded enterprises is restricted.

London To Fund 1,500-km Digital Telecom Link

HK0803093595 Beijing CHINA DAILY in English 8 Mar 95 p 5

[By Wu Yunhe: "Sino-Brit Pact Signed for Longest SDH Link"]

[FBIS Transcribed Text] British-based GPT Corp will help build up the world's longest SDH (synchronous digital hierarchy) telecom link in China, financed by a British Governmental loan.

The agreement was signed on Monday by the GPT Corp and the China National Post and Telecommunications Appliance Co (PTAC), the import-export agency acting on behalf of the Chinese Ministry of Post and Telecommunications.

They will install the 1,500-kilometre SDH telecommunications link between Wuhan in Hubei Province and Shanghai.

SDH is the world's most advanced optical fibre telecommunication technology system, designed for the clear transmission of information involving pictures figures and sounds.

The 15-million-pound (\$22.5 million) project with the GPT is to start this year with the laying of the optical fibre.

The investment for the project will be part of a \$60-million British soft loan promised at the beginning of last year. It has a term of 12 years, with a grace period of two years and an annual rate of 4.5 per cent.

The remainder of the British loan has been used for construction of another SDH telecommunications link between Wuhan and Chongqing, Sichuan Province, which is expected to be completed next year with the help of GPT Corp.

The contract, which will include an 8-kilometre underwater link across the Yangtze River, was signed by GPT Public Networks Group managing director Peter Brown and PTAC's president Yue Junwu.

Other equipment for the Wuhan-Shanghai route is to be delivered later this year with installation scheduled to start in January 1996 and to be completed in June.

British GPT Corporation and its German co-operative partner Siemens AG will supply the necessary equipment and technology for the project.

"This is the latest success for GPT's business development in China," Brown said.

Installation work for the new project is on schedule with an earlier contract linking Wuhan and Chongqing—previously the longest SDH connection in the world at 1,400 kilometres, he added.

This contract is another important milestone in the modernization of telecommunications in China, said Yue, who added that it also reflects China's commitment to an SDH-based infrastructure as the country moves towards a communications capability to match the rest of the world.

The Wuhan-Shanghai SDH telecommunication link is one of the State key projects listed in the Eighth Five-Year Plan period (1991-95).

Anhui To Attract \$3.5 Billion in Overseas Investment

OW0703132495 Beijing XINHUA in English 0736
GMT 7 Mar 95

[FBIS Transcribed Text] Shanghai, March 7 (XINHUA)—East China's Anhui Province plans to bring in a total of 3.5 billion U.S. dollars in overseas investment over next five years, according to a leading official from the province today.

The figure will double the total volume of foreign investment the province has attracted since the country's reforms and opening to the outside world in 1979, said Zhang Runxia, deputy governor of the province, who is

now attending the Fifth East China Exports Fair in Shanghai, China's largest industrial and commercial city.

The new foreign investment will mainly cover such industrial sectors of energy, transportation and raw materials to promote the province's industry which is dominated by agriculture.

Anhui, which the Chang Jiang River flows through from the west to the sea, will benefit from the rapid economic growth in the Pudong New Economic Development Area of Shanghai, the deputy governor said.

Last year the province approved 627 foreign-funded enterprises with contractual overseas investment amounting to 707 million U.S. dollars, and so far a total of 2,656 foreign-funded ventures have come to do business in the province with an accumulated overseas investment of 1.9 billion U.S. dollars, the official said.

According to the official, the province's gross domestic product reached 148.5 billion yuan last year, up 21 percent from the previous year. The growth rate of the province far exceeded the national average.

Beijing Courts Log Increases in IPR Cases

HK0803092995 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1016 GMT 5 Mar 95

[FBIS Translated Text] Beijing, 5 Mar (ZHONGGUO TONGXUN SHE)—Intellectual property rights [IPR] disputes tried by courts in Beijing at all levels have increased substantially. Statistics show that, last year, there were 185 IPR disputes involving patent rights, trademarks, copyrights, technology contracts, and objections to unfair competition.

An analysis identified the following as the new traits of these IPR disputes: There has been a sharp increase in the number of disputes—266 went through the first trial by courts at all levels in Beijing Municipality, an increase of 17.7 percent from the previous year, with noted increases in computer software copyright infringements. There were large numbers of serious and difficult cases making higher demands on judicial trials and of cases displaying new characteristics. Apart from the usual cases involving patent rights, copyrights, and trademark rights, there have been those involving unfair competition, such as theft of commercial secrets. There were large numbers of cases involving foreign business partners. Last year the Beijing Municipal Intermediate People's Court tried 34 IPR cases involving foreign interests.

Guizhou Firm Aims To Protect Microsoft From Piracy

OW0803080695 Beijing XINHUA in English 0647
GMT 8 Mar 95

[FBIS Transcribed Text] Guiyang, March 8 (XINHUA)—Two types of software invented by a computer company in southwest China's Guizhou province will

make certain that computer products made by the Microsoft Company of the U.S. will not be pirated and will gain greater access to the Chinese market.

The Guizhou Kangle Computer Company has made two types of software for Microsoft, one for applying Microsoft's FoxBase software that can translate the English into Chinese without affecting the program, and the other for protecting Microsoft's FoxBase from being pirated.

According to the general manager of Kangle, Zhao Zhuyun, the two will help FoxBase to enlarge its Chinese market without being pirated. They will also raise China's development of applied software to a new level.

The successful development of the two also shows that the Chinese government at various levels has been paying great attention to the protection of intellectual property rights, and that scientific researchers as well as private companies are devoting themselves to the problem as well, Zhao said.

At present, China is still comparatively backward in basic software development, and its data banks and management systems are mainly from abroad. Since the 1980s, dBase software from Anderson Company, and FoxBase from Microsoft have become the most widely used "mass data bank" in China. But language barriers remain.

Zhao expressed the hope that there could be co-operation with Microsoft in developing new software that accords with the mode of thinking of the Chinese people.

Shanghai To Establish Sea Freight Exchange

HK0703042095 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0843 GMT 13 Feb 95

[FBIS Translated Text] 13 Feb (ZHONGGUO TONGXUN SHE)—According to Shanghai's XINWEN BAO, the Ministry of Communications and the Shanghai Municipal Government are preparing to set up a sea freight exchange in Shanghai. The freight exchange will be the first national and high-class sea freight market.

It is learned that the scope of the business of the sea freight exchange embraces cargo on domestic and international markets and that it will introduce shipping services into the market for trading, but it will not offer a futures exchange. Dealings at the exchange will proceed through competitive prices and negotiations. In deals through competitive prices, the consignor supplies the exchange with information about the type, quantity, destination, and shipping time of the consigned cargo, while the consignee supplies the exchange with information about his shipping capacity and prices. The exchange will then send its representative traders to publicly compete in prices and tenders and make shipping arrangements by computer for the consignor and

consignee in keeping with the principle of the best price and time offered. It will then have the two parties sign a shipping contract.

Shanghai's sea freight market has a large capacity and can extend very far. It has all of the excellent advantages of a sea freight market. The establishment of a sea freight exchange here is conducive to setting up and fostering a unified, open, competitive, and orderly sea freight market.

Tibet Exports Increase in 1994

OW0703025295 Beijing XINHUA in English 0236
GMT 7 Mar 95

[FBIS Transcribed Text] Lhasa, March 7 (XINHUA)—Southwest China's Tibet Autonomous Region has benefited from its efforts to accelerate economic and cultural exchanges with the outside world, local officials said.

Official statistics showed that last year, the export volume of the region known as the "roof of the world" was 367 million U.S. dollars, 3.5 times the 1993 figure.

Foreign trade officials attributed the big growth to the rise in exports of local handicrafts and animal by-products and preferential policies granted by the central government with regard to its border trade with China's neighbors India and Nepal.

Last year, Tibet received 28,000 overseas tourists and earned 177 million yuan (20.82 million U.S. dollars) from tourism, up 12.9 percent and 22.8 percent respectively over 1993.

The region approved the establishment of 19 overseas funded enterprises involving 21.09 million U.S. dollars plus 1.02 billion yuan of local investment last year. Business people from 30 countries and almost all the inland Chinese provinces came to the region to explore economic cooperation projects in 1994.

Meanwhile, the region made great efforts to speed up the construction of infrastructure projects in transport, energy and telecommunications with the technical and financial help and management expertise from other parts of the country.

Tibet sent 14 art troupes to tour a dozen countries and regions including Austria, France, Sweden and Republic of Korea.

Agriculture

CAS President Says Grain Self-Sufficiency Possible

OW0803103495 Beijing XINHUA in English 0906
GMT 8 Mar 95

[FBIS Transcribed Text] Beijing, March 8 (XINHUA)—It is still possible for China to be self-sufficient in grain production in the next one or two decades if proper

efforts are made, President of Chinese Academy of Sciences (CAS) Zhou Guangzhao said here today.

Zhou said that he feels that there is hope for China's self-sufficiency over the next one or two decades as long as the society makes an effort as a whole to protect their limited cropland adequately, to ensure sufficient investment in agriculture, and to make better use of the available agro-technology.

In commenting on something he said that was quoted by an American scholar, Lester Brown, to the effect that China would have such severe food shortages that it will have to import 400 million tons of grain in the next century, Zhou explained that the quote was incomplete, and therefore misleading.

"I did tell an American reporter last year that China would have to import 400 million tons of grain in the next century if what has happened in some coastal provinces in Southeast China were to occur in other parts of the country, which has paid little attention to grain production and had huge losses of farmland," Zhou said in an interview with XINHUA.

The booming coastal provinces have had large amounts of farmland turned to non-farm use, while large tracts of fertile cropland have been left idle by farmers who turned to more profitable jobs in factories or other businesses.

Per capita food consumption in the rich areas amounts to about 500 kg of grain, about 130 kg higher than the national average, Zhou added.

"The large demands of a population of more than 1.2 billion, and the limited amount of grain available on the world market, dictates that China must be self-sufficient, and it is impossible for China to rely on imported grain," he argued, explaining that, "Not only should China adopt an agricultural development model that saves cropland and water, but should also follow a moderate consumption model."

"It will not do for China to follow Western-style food consumption models which means consuming more meat, instead of grain," he said, going on to explain that, "Technology and education are the key to solving possible food shortages, and it is possible for China to raise its per-unit yield by 20-30 percent."

Efforts must be made to raise the country's per-unit yield, which is relatively high, but certainly not the highest in the world, something that could be done by improving farming methods, land transformation, and improving varieties of crops, fertilizers, and biotechnology, Zhou said.

There are 60 million hectares of middle- and low-yield farmland in China, and the government plans to turn 24 million ha. of them into high-yield ones before 2000, and raise the per-hectare yield by 1,500 kg.

Zhou also called for increased investment in and improved management of the country's large amount of grassland, which could double meat output, saving lots of grain now used to feed livestock.

To do so, he said, requires tough enforcement of laws as well as other measures needed to boost grain production, and characterised those who say that China could import the food it needs, as short-sighted. He commented that some local officials in prosperous coastal areas say that the fast-growing economy will make them rich enough to buy the food they need from the world market, and are paying little attention to grain production and cropland protection.

Coastal areas, including Guangdong and Zhejiang provinces, have answered the call of the central government to pay more attention to agriculture by pledging to increase grain production and better protect farmland, but he stressed the fact that it is a long and arduous task for China to maintain self-sufficiency in grain. Only through sustained efforts to boost agriculture can China solve the food problem by itself in the 21st century.

CAS experts point out that it would be ideal for China to have a population of 800 to 900 million, and the maximum which the country's natural resources could support would be 1.6 to 1.8 billion.

Acceleration of Agricultural Development Urged

HK0703144795 Beijing XINHUA Domestic Service in Chinese 0317 GMT 3 Mar 95

[By reporters Li Nanling (2621 0589 3781) and Zhang Jinsheng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 3 Mar (XINHUA)—Data provided by the State Statistics Bureau indicate that despite the good harvests reaped in agriculture last year after conquering serious natural disasters, agricultural production and development still lagged far behind compared with the rapid growth of the national economy and the improving living standards of the people. Therefore, the primary task at the moment is to accelerate agricultural development and to strive for this year's all-round bumper agricultural harvests.

Despite the serious natural disasters that hit China last year, increases were registered in major farm produce, except for grain (last year's total output was 444.5 million tons), which dropped 2.5 percent from the previous year. An end was put to the declining trend in cotton production, and the year's output reached 4.25 million tons, up 13.6 percent. A new record was set in the production of edible oil crops, with the output amounting to 19.84 million tons, up 10 percent. Headway also was made in the production of animal husbandry.

Output of meat, poultry, eggs, and milk increased. In 1994, the output of meat amounted to 43 million tons, an increase of 11.9 percent over the previous year.

Sustained development also was registered in fishery production. Output of aquatic products totaled 20.98 million tons, up 15.1 percent.

In addition, forestry production developed steadily, and the quality of afforestation improved constantly. In 1994, the country forested 5.9 million hectares of land, with the rate of afforestation reaching 13.9 percent. The conditions for agricultural production continued to improve. By the end of 1994, the aggregate power of farm machines totaled 336.85 million kw, a 5.9 percent increase over the previous year-end period. Rural areas consumed 151.1 billion kwh of electricity, up 21.4 percent. The building of farmland water conservancy works was further strengthened and the area of effective irrigation increased.

Meanwhile, the per capita income of rural inhabitants was 1,220 yuan last year, up 32 percent over the previous year or a real increase of 5 percent after deducting the price-increase factor.

Although good harvests were reaped, the rural economy developed comprehensively, and the peasants' incomes increased remarkably last year, we should be aware that the situation of agricultural production is still grim, and that the foundation of agriculture is still relatively weak. In particular, there are problems in grain, cotton, edible oil, and other major farm produce related to the national economy and people's livelihood—problems that must not be ignored. Therefore, it is a pressing task at the moment to put an end to backwardness in agricultural development, and to promote agricultural production to a new level.

Largest Grain-Producing Provinces for 1994

HK0703095695 Beijing CEI Database in English
7 Mar 95

[FBIS Transcribed Text] Beijing (CEIS)—Following is a ranking of China's ten largest grain producing provinces in 1994, on the basis of preliminary statistics released by the State Statistical Bureau.

Ranking	Province	Output (in 1,000 tons)
1	Sichuan	40,480
2	Shandong	39,220
3	Henan	32,538
4	Jiangsu	30,460
5	Hunan	26,610
6	Heilongjiang	25,785
7	Hebei	25,235
8	Henan	24,221
9	Anhui	23,305
10	Jilin	20,157

Largest Cotton-Producing Provinces for 1994

HK0703095895 Beijing CEI Database in English
7 Mar 95

[FBIS Transcribed Text] Beijing (CEIS)—Following is a ranking of China's ten largest cotton producing provinces and autonomous regions in 1994, on the basis of preliminary statistics released by the State Statistical Bureau.

Ranking	Province	Output (in 1,000 tons)
1	Xinjiang	800
2	Henan	628
3	Shandong	559
4	Jiangsu	463.8
5	Hubei	450
6	Hebei	390
7	Anhui	257
8	Hunan	238.1
9	Jiangxi	174.7
10	Shanxi	84.8

Largest Oil-Bearing Crop-Producing Provinces for 1994

HK0703100095 Beijing CEI Database in English
7 Mar 95

[FBIS Transcribed Text] Beijing (CEIS)—Following is a ranking of China's ten largest oil-bearing crop producing provinces and autonomous regions in 1994, on the basis of preliminary statistics released by the State Statistical Bureau.

Ranking	Province	Output (in 1,000 tons)
1	Shandong	3,382.6
2	Henan	2,250.0
3	Anhui	1,506.0
4	Sichuan	1,388.0
5	Hubei	1,377.7
6	Jiangsu	1,335.8
7	Hebei	1,063.0
8	Hunan	979.6
9	Jiangxi	836.1
10	Inner Mongolia	650.3

Zhengzhou Grain Futures Prices for 6 Mar

HK0703095495 Beijing CEI Database in English
7 Mar 95

[FBIS Transcribed Text] Zhengzhou (CEIS)—Prices of grain futures quoted on the China Zhengzhou Commodities Exchange on March 6, 1995: Unit: yuan/contract

(10 tons), Zhengzhou delivery

	Prev.	High	Low	Settle	Volume
Wheat					
Mar	15900	16500	16300	16400	20
May	16000			16000	
July	16360	16760	16760	16760	40
Sep	15100			15100	
Nov	15400			15400	
Jan	16000			16000	
Maize					
Mar	15500	15480	15300	15320	180
May	14780			14780	
July	15540			15540	
Sep	14580	14940	14800	14880	560
Nov	14300			14300	
Jan	14000			14000	
Soybean					
Mar	22000			22000	
May	21980			21980	
July	20000			20000	
Sep	20000			20000	
Nov	22000			22000	
Jan	23000			23000	

Central-South Region

Guangdong Vice Governor on Zhu Jiang Delta Zone

HK0803102095 Beijing ZHONGGUO XINWEN SHE in Chinese 1303 GMT 19 Feb 95

[By reporter Zhang Chuanxi]

[FBIS Translated Text] Guangzhou 19 Feb (ZHONGGUO XINWEN SHE)—At a news conference held here today, [Guangdong] Vice Governor Zhang Gaoli stressed that, from the very beginning, Guangdong has taken into account the strategy of converging with Hong Kong and Macao in building up the Zhu Jiang Delta Economic Zone and that greater importance will be attached to the convergence of Guangdong and Hong Kong after 1997.

Zhang Gaoli said that Guangdong's strategy of building the Zhu Jiang Delta Economic Zone would produce great effects within China and overseas. He said that the program for this measure was basically completed and planning will have been completed by the end of the month. Presently, 57 experts are participating in the draft planning demonstration and they are doing their best to complete the general plan by the end of June.

With respect to the issue of building infrastructure for Guangdong and Hong Kong, such as the building of roads and bridges and the improvement of the Shenzhen He, these are being organized by the State Council Hong Kong and Macao Affairs Office and related departments. Work in this area is also in the course of convergence.

In relation to the building of Lingdingyang Bridge and Shenzhenwan Bridge, Zhang Gaoli said that from a long-range view, the building of these two bridges will play a great role in the stability and prosperity of Hong Kong and Macao. However, earnest deliberations are required because of the importance of such infrastructure projects, including the organization of funds and repayment of loans. He said that the plan for building Lingdingyang Bridge has already been reported to the State Council and the state will organize experts to come and conduct inspections. On the other hand, the Shenzhen Bridge project is still undergoing a feasibility study.

Guangzhou Mayor Urges Improved Public Security

HK0703134695 Hong Kong TA KUNG PAO in Chinese 21 Feb 95 p A2

[“Special dispatch” from Guangzhou by staff reporter Yeh Hung-yan (0673 4767 3601): “Mayor Li Ziliu Says Guangzhou To Improve Public Security This Year, and To Cooperate With Hong Kong To Deal With Drug Cases”]

[FBIS Translated Text] Guangzhou, 20 Feb (TA KUNG PAO)—Mayor Li Ziliu said here today that Guangzhou

will make greater efforts this year to improve social security, environmental protection, and city management, while continuing to develop the economy, so that residents can enjoy times of peace and prosperity.

It has been learned that over the past year or so, Guangdong's crime rate has been increasing rapidly. Last year, the public security organs in this province unraveled more than 56,000 cases, and the number of criminals arrested increased by nearly 40 percent over the previous year. As a result of the inflow of pornographic publications, gambling, and drugs, and of poor management over the floating population, the public security situation is rather grim. The situation of Guangzhou, the capital city and a hub of communications, is even more so. Speaking at a press conference given by the provincial people's congress today, Li Ziliu said: The people of Guangzhou now often say: “There is no peace in times of prosperity.”

He said that the citizens are paying greater attention to social security than to commodity prices. The Guangzhou City Government has determined to strengthen the police force and to carry out management strictly this year, starting with the establishment of a public security responsibility system for leaders at all levels, so that the crime rate can be kept at the lowest possible level. According to Li Ziliu, the Guangzhou City Government is ready to increase the number of patrolling police by 3,000 within two or three years, and police patrols will be strengthened.

It is said that the railway station, the Baiyunshan scenic zone, and the area along the Zhujiang are the three hard nuts to crack and three major areas for the comprehensive improvement. The city government has determined to take strong measures to crack these nuts. Li Ziliu said that after striking at major criminal activities, the security situation and environmental hygiene of the city's “black delta”—the railway station square—obviously have improved. The crime rate in this area has dropped from more than 30 cases a day to a maximum of 5 cases now (not including speculation in the reselling of train tickets).

When asked by reporter how the city will deal with the increasing inflow of drugs and guns from Yunnan and Vietnam for transfer to Shenzhen and Hong Kong, Li Ziliu said this is a difficult problem to tackle. Guangzhou is paying great attention to this problem, and is ready to strengthen cooperation with the Hong Kong and Macao police departments this year to crack down on these criminal activities.

It also was reported that the public security issue has been one of the main subjects for discussion at the meeting of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] every year. At yesterday's forum, CPPCC members put forward many ideas and views for improving the quality of law enforcement personnel, effectively implementing various laws and regulations that have been enacted,

promoting police-civilian relations, increasing the wages and benefits of policemen and enhancing their sense of mission, and strengthening cooperation with Hong Kong and Macao police.

Guangzhou Vice Mayor Chen Kaizhi, who participated in the forum in his capacity as CPPCC member, talked about his personal feeling and experience in public security and city management. He said that at present, the relevant departments are concentrating their energy on economic cases, and thus have neglected the work of improving public security. The current crime rate in the Guangzhou area is almost equal to the sum of those of Beijing, Shanghai, and Tianjin, and the number of prisoners and those in custody is even higher than the sum of the three municipalities. However, police forces are far from sufficient, as they number less than one eighth of the police forces of the three municipalities.

Chen Shaoji [director of provincial Public Security Department] said: The public security issue is a comprehensive reflection of various negative factors in society. Successes can be achieved only by tackling problems in a comprehensive way and by mobilizing forces in all sectors to participate, as well as through long-term and hard work. He said that the enormous floating population is the main reason for the increasing crime in Guangdong. Statistics show that 80 percent of the criminals arrested in Guangzhou last year were natives of other provinces. Of the 160 executed, natives of other provinces made up 60 percent. Chen Shaoji said: Apart from taking routine actions against criminal offenses, Guangdong's public security departments also will carry out struggles in some special fields this year. He emphasized that all departments should closely cooperate with one another so that the public security problems can be tackled as quickly, severely, and promptly as possible. It is necessary to carry out the activity of electing small civilization and security areas, improve the police patrol system, and strengthen and consolidate public security in rural areas. At the same time, training for several months will be offered—stage by stage and group by group—for law enforcement personnel within the public security organs. The courses will include laws, professional ethics, mass viewpoint, and physical and technical training, so that the quality of the police forces can be improved.

Guangdong Urges Greater Anticorruption Efforts

HK0803091995 *Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 26 Feb 95*

[FBIS Translated Text] Xie Fei, member of the Political Bureau of the CPC Central Committee and secretary of the provincial party committee, and Zhu Senlin, deputy secretary of the provincial party committee and governor, attended the fifth plenary meeting of the provincial discipline inspection commission this afternoon and delivered important speeches on the issue of anticorruption at the meeting.

In his speech, Comrade Xie Fei specifically outlined the current tasks and specific measures of anticorruption, centering on the issue of trading power for money. He said: The key problem of corruption at present is that some cadres, party-member leading comrades in particular, seek personal gain by abusing powers in their hands and trade power for money. How to check the abuse of power for personal gain and the trading of power for money is the focus of our drive to struggle against corruption at present and also an important task for the long term. At present the province should exert great efforts in the following aspects:

One, actively carry out economic management structural reform, establish an open and fair competition mechanism, and unearth the hotbed for corruption; two, effectively put the work of strengthening management and plugging up loopholes on the agenda as an important task; three, strengthen supervision and constraint mechanisms; four, handle a number of selected cases well with high quality; five, conduct more education and foster a new general practice. This year all offices and grass-roots units should improve their work style significantly, and party and government organizations at all levels should conduct activities to convenience and benefit the people so as to form a good social practice and ensure the smooth progress of various reforms.

In his speech, Governor Zhu Senlin emphatically discussed his views on the issues of government departments carrying out anticorruption and checking unhealthy tendencies and of strengthening the building of clean government.

Guangdong Launches Counternarcotics Campaign

HK0703143195 *Guangzhou NANFANG RIBAO in Chinese* 1 Mar 95 p 1

[Report by reporter Zeng Qingchun (2582 1987 2504): "Governor Zhu Senlin Calls for Better Job of Narcotics Control"]

[FBIS Translated Text] The Guangdong CPC Provincial Committee and Government have decided to launch a narcotics-banning campaign by taking unified action on a wide scale across Guangdong in the first half of the year. At the provincial conference on government and legal work, which was convoked yesterday afternoon, Governor Zhu Senlin stressed that party committees and governments at all levels must be fully aware of the seriousness and danger of narcotics-related activities in Guangdong, and must earnestly grasp firmly and well the ban on narcotics as a major issue.

Zhu Senlin indicated that over the years, Guangdong all along has firmly grasped narcotics control work, and has launched several narcotics control campaigns. Nevertheless, narcotics-related activities continue to spread: First, narcotics-trafficking activities have gotten worse with each passing day; second, the number of drug addicts has increased by a wide margin, resulting in a serious social

problem. By no means should we regard the flooding of narcotics as a general issue in social order. This being the case, the provincial party committee and government have decided to launch a broad-scale unified narcotics control campaign across Guangdong in the first half of the year. Party committees and governments at all levels must earnestly magnify their sense of mission and pressure in unfolding the narcotics control campaign, place narcotics control work in an important place on their agendas in accordance with the arrangements of the provincial party committee and government, grasp the work as a major issue, be determined, exert great efforts, and adopt effective measures to do a good job in the campaign so that genuine results may be scored. To do a good job in the unified, province-wide narcotics control campaign, and to resolutely check the momentum of narcotics-related activities, it is imperative for us to resolutely implement the "three bans" simultaneously—the bans on growing, peddling, and using narcotics—so as to stop up their sources and spread; to strictly enforce the law and the principle of alleviating symptoms, as well as effecting a permanent cure; and to fight a people's narcotics-control war by mobilizing the forces of the whole society under the leadership of party committees and governments at all levels, with simultaneous efforts through various channels in crackdown, prevention, propaganda and education. Through the current unified action, narcotics-related activities should be reduced to a minimum by effectively stopping up the fountainhead of narcotics, severing drug-trafficking routes, thoroughly destroying the underground narcotics-peddling network, severely punishing narcotics traffickers, and practicing forced abstention from narcotics for all drug addicts. Zhu Senlin indicated that it was necessary to do a good job of meticulously organizing the suppression of narcotics trafficking on the basis of ample preparations by adopting the methods of "blocking narcotics traffickers on the border, intercepting them on the way, and investigating sites teeming with narcotics-related activities" so as to earnestly block the channels and fountainhead of narcotics trafficking. Regarding those criminals involved in narcotics trafficking, as well as instigating narcotics addiction, public security, procuratorial, and judicial departments should work in close coordination. Those that should be apprehended must be apprehended resolutely, those who should receive heavy sentences must receive them, and those who should receive death sentences must be executed resolutely.

In his speech, Zhu Senlin set out specific requirements on propaganda, cultural, civil service, public health, industrial and commercial, customs, and educational departments. Chen Zhaoji, member of the provincial party committee standing committee and concurrently director of public security office, made specific arrangements for the current unified province-wide narcotics-control campaign.

Hunan Governor Explains Future Work Style

HK0803113515 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 25 Feb 95

[FBIS Translated Excerpt] The following are extracts of Governor Yang Zhengwu's speech at the closing ceremony of the Third Session of the Eighth Hunan Provincial People's Congress on the afternoon of 25 February.

[Begin Yang recording] Deputies: I have been unable to keep calm during the last few days. I sincerely thank all the deputies for their trust in me. I am the governor of the people's government elected by the people's deputies on behalf of the people. Therefore, I will always bear in mind the principle of wholeheartedly serving the people, share weal and woe with the people, work for the people's benefit, and do something practical for them. [passage omitted]

My growth embodies the meticulous care of the party. This will remain unforgettable in my mind. I deeply feel the heavy responsibility I undertake so I must study more diligently, work harder, perform my duties in a more down-to-earth manner, and be honest and upright in my ways. I will remain firm on this. I will conscientiously study Marxism-Leninism-Mao Zedong Thought. In particular, I will comprehensively and systematically study Comrade Xiaoping's theory of building socialism with Chinese characteristics to acquire a better theoretical cultivation. I will conscientiously study government and economic work, knowledge about the socialist market economy, and knowledge about modern science and technology. [passage omitted]

The current people's congress has examined and ratified the government work report. Together with other leading comrades of the government, and guided by Comrade Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, I will focus on the major work of the entire party and country. [passage omitted]

I will consciously accept the supervision of the people's congress and its standing committee and I will consciously accept the supervision of the people [applause]. I will report responsibly on my work to the people's congress and its standing committee. I will use the constitution and law to standardize the government's and my own behavior. [passage omitted]

I am determined to set high demands on my work and career and I will make selfless devotion. In work, I will set strict demands on myself, adhere to the mass line and democratic centralism, and go deep into the realities of life. [passage omitted]

I will not abuse the power entrusted to me, by the party and the people, for the interests of my children or the children of my relatives [applause]. [end recording]

Hunan Leaders Urge Better Anticorruption Efforts

HK0803092795 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 26 Feb 95

[FBIS Translated Text] At the provincial meeting on anticorruption work on 26 February, provincial party Secretary Wang Maolin and Governor Yang Zhengwu emphatically pointed out: In the new year the province should make great efforts to carry out anticorruption work thoroughly.

Wang Maolin pointed out: The province has achieved relatively great phased results in anticorruption work in the last two years, but the problem of corruption has not yet been really solved and the masses of people are still not satisfied with the work. Therefore, we should carry out anticorruption work thoroughly rather than halt it and should step up rather than slacken our efforts in the work. Party committees at all levels should deepen their understanding of anticorruption work, strengthen leadership over the work, and insist that the party and government make concerted efforts to carry out the work. Wang Maolin said: In carrying out an'icorruption work thoroughly, great stress should be placed on policy implementation. The stress of the work of encouraging leading cadres to perform their duties honestly and exercise self-discipline should still be on party and government leaders at the county and department levels and above.

In his speech on the struggle against corruption by government departments, Governor Yang Zhengwu pointed out: On the anticorruption issue, this is not a question of whether the government should tackle the issue but of how to work hard to achieve good results in anticorruption work. Governments at all levels should strengthen supervision and tighten checks on the key departments, sections, and posts where powers are easily abused.

The current meeting was presided over by Yang Minzhi, standing committee member of the provincial party committee and secretary of the provincial discipline inspection commission.

Wuhan Economic Zone Reports Progress

OW0803113295 Beijing XINHUA in English 0743 GMT 8 Mar 95

[FBIS Transcribed Text] Wuhan, March 8 (XINHUA)—The Wuhan Economy and Technology Cooperative Zone, covering 310,000 square kilometers of land in Central China and including 25 prefectures and cities in Hunan, Hubei, Jiangxi, and Henan provinces, has been making headway in economic cooperation and development.

A preliminary statistical report showed that the zone completed 5,520 economic and technical cooperative projects involving contracts worth 5.16 billion yuan last year, a 2.7-fold and 1.2-fold increases over the previous year.

Its industrial output totalled 2.9 billion yuan, up 1.4-fold over the previous year, and the increase in profits and taxes amounted to 500 million yuan, up 1.5-fold.

By the end of last year, the zone had 60 major markets, an increase of 20 percent over the previous year, which handled transactions totalling 4.2 billion yuan, registering a big increase.

Southwest Region**Tibet's Yang Leads Snowstorm Relief Efforts**

OW0703164595 Beijing XINHUA in English 1543 GMT 7 Mar 95

[FBIS Transcribed Text] Nagqu, March 7 (XINHUA)—More than two million yuan in relief funds has been sent to Nagqu Prefecture in the Tibet Autonomous Region, which has been hit by severe snowstorms since last month.

According to the Relief Office of Nagqu, 104 relief and medical teams have been dispatched to the storm-hit areas north of the capital, Lhasa. Yesterday two working teams broke through the deep snowdrifts and managed to transport relief materials into Baqen and Bangon counties, two of the most seriously affected areas.

At present, the regional and Nagqu governments have arranged 2.28 million yuan, 175,000 kg of fodder, 10,000 kg of 'Zanba' (a local food made of fried barley) and 2.95 million tons of gasoline and diesel oil for the areas.

Since February 15 Nagqu, Tibet's major animal husbandry base, has been hit by snowstorms. Baqen, Nyanrong and Bangon counties are the most seriously affected areas. In some villages more than 30 percent of the cattle have died.

The authorities have mobilized the whole of society to help the affected areas. Yang Song, deputy secretary of the Autonomous Regional Committee of the Communist Party of China and standing vice-chairman of the regional government, has led work teams to those areas and taken charge of the relief work there.

The snowstorms have abated somewhat. But the number of people suffering from frost-bite is on the rise. It is learned that 394 of the 764 residents of Maru Township, Baqen County, suffer from frost-bite or snow-blindness, and 5,869 head of cattle have died, accounting for 50 percent of the total before the calamity. In Bangon, 1,466 people suffer from frost bite or snow-blindness.

Tibet Project Construction 'In Full Swing'

OW0803043895 Beijing XINHUA in English 0233 GMT 8 Mar 95

[FBIS Transcribed Text] Lhasa, March 8 (XINHUA)—Construction of major industrial and agricultural projects are now in full swing throughout the 1.2-million

square-km area of the Tibet Autonomous Region, southwest China, local sources said.

These projects with an investment of six billion yuan from the central government cover energy, transport, telecommunications, agriculture and animal husbandry, and they are part of the 62 projects planned by the central government last year.

Construction of 32 of them has started and preparations have been completed for the rest. Up till now, a total of 2.8 billion yuan has been put into their construction in addition to technical support from the inland provinces, the sources said.

Among the projects which are now under construction is the expansion of the Yangbajian Thermal Power Station, the largest of its kind in China. Two generating units with a joint capacity of 25,180 kw are being added to the station. Others include the upgrading of highways leading to the neighboring Sichuan and Qinghai provinces, a highway linking north and south of Tibet, and the expansion of the Kunggar Airport, the region's first and largest.

In the early 1980s, a total of 43 key projects were completed with the financial and technical aid from the central government and inland provinces and municipalities before 1985—the 25th anniversary of the founding of the region.

North Region

Beijing To Take Steps To Promote Development Zone

OW0703134995 Beijing XINHUA in English 0856
GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—The capital city will take measures to ensure the growth of its Economic Technological Development Zone, according to official sources.

A Committee of the Development Zone will manage it on behalf of the municipal government and approve projects costing no more than 30 million US dollars each, according to Liang Yuehui, general manager of the Development Zone Corporation.

A service network of banks, industrial businesses, tax bureaus, social security departments, telecommunications, and electricity and water departments has been formed, and a special office and services center have made it convenient for investors to select projects, sign contracts, and apply for licenses, Liang said.

A range of facilities from workshops, office buildings, villas, lodging, and warehouses to transport, labor, education, culture, and commercial services are provided.

An import and export company will be organized, and customs and commodity inspection branches, duty-free warehouses, and customs declaration agencies will be set

up in the zone, which has drafted regulations to direct foreign investment, Liang said.

Construction of an office building, a training center, and facilities for 2,000 telephones have been completed. A telecommunications building and gas pipelines will be ready in October and November respectively.

The investment environment has become attractive to leading multinational firms. In 1994, 43 firms invested a total of 310 million US dollars in the zone, 16 contracts were signed to transfer the right of using 280,000 sq.m. of land, and four contracts were signed, involving 12,600 sq.m. of workshops worth 38 million yuan.

By the end of 1994, it had a total of 83 enterprises with a total investment of 663 million US dollars, including 58 sponsored by overseas entrepreneurs, with a total contractual investment of 279 million US dollars.

Stone-National, a Sino-Japanese joint venture, is expected to raise sales to 500 million yuan in 1995. After winning consumers' hearts with its ice-cream, Wall's Co. Ltd, jointly financed by China and Britain, has decided to expand their market share in north China and east China's Shanghai this year.

Experts here predict that the development zone will expand to 90 sq. km., accommodate about 450,000 people, and create goods and services worth more than 30 billion yuan in the early 21st century.

Hebei Holds Administrative Honesty Work Conference

SK0603132995 Shijiazhuang HEBEI RIBAO in Chinese 18 Feb 95 p 1

[By reporters Han Shaojun (7281 4801 6511) and Zheng Guizhen (6774 2710 3791): "The Priority of Anticorruption Work Is To Deeply Implement This Work"]

[FBIS Translated Text] The provincial conference on building party style and administrative honesty was held in Shijiazhuang on 16-17 February. The main content of this conference was to relay and implement the guidelines of the fifth plenary session of the Central Discipline Inspection Commission and to make arrangements and plans for the province's building of party style and administrative honesty as well as anticorruption work during this year.

The conference first announced the "Decision of the Provincial Discipline Inspection Commission of the Hebei Provincial CPC Committee and of the Hebei Provincial Supervision Department on Commending Collectives and Individuals Who Contribute To Handling Cases." On behalf of the Central Discipline Inspection Commission and the Ministry of Supervision, the conference presented awards to Comrade Jiang Ruiseng, who was commended by the Central Discipline Inspection Commission and the Ministry of Supervision for his noticeable achievements in handling cases and who won

a first-class citation of merit, and to the provincial Discipline Inspection Commission and supervision department as well as the former work group for clearing up the Zhuozhou steel product market of the Baoding prefectural party committee, which won a second-class citation of merit; it presented silk banners and cash awards to nine collectives and six individuals commended by the provincial Discipline Inspection Commission and supervision department for their achievements in handling cases.

Cheng Weigao, secretary of the provincial party committee, gave a speech at the conference on 17 February. Provincial leaders, including Ye Liansong, Xu Yongyue, Lu Zhanshu, Zhao Shiju, Zhou Xin, and Wang Youhui, attended the conference.

Wu Yedu, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Commission, delivered a work report on behalf of the Standing Committee of the provincial Discipline Inspection Commission and presided over the conference on 17 February.

After conscientiously reviewing and summing up Hebei Province's building of party style and administrative honesty as well as the anticorruption struggle since last year, and after analyzing the current situation, the conference defined that the central tasks for building party style and administrative honesty throughout the province this year are to comprehensively implement the demands proposed by the party Central Committee on this year's anticorruption struggle and the plans of the central Discipline Inspection Commission; to continue to strengthen efforts in building party style and administrative honesty; and to unswervingly deepen the anticorruption struggle. The specific demands are to enrich the content of anticorruption and broaden the work sphere; to honor the commitment of keeping oneself clean and self-disciplined, investigate and handle cases and grasp typical ones, and repeatedly grasp the work of checking unhealthy trends; to strengthen efforts in getting at the root of a problem and strengthen education and the building of systems; and to urge party and government organs to jointly attend to this work, implement the departmental responsibility system, and push the anticorruption struggle forward.

First, we should continue to grasp the work of keeping leading cadres clean and self-disciplined. In keeping leading cadres clean and self-disciplined this year, we should continue to regard leading cadres at and above the county (section) level of party and government organs as the priorities, and at the same time set forth specific demands for grass-roots cadres at and below the county (section) level, including cadres at the section level of townships below the county (city) level, responsible persons of grass-roots stations and institutes, cadres at the section level of organs directly under the provincial and city authorities, and leading cadres of enterprises and institutions. The major content of keeping

leading cadres at and above the county (section) level clean and self-disciplined is to continuously implement the "five stipulations" and the four aspects and stipulations on "six prohibitions" amended this year. In line with the demands set forth by the provincial party committee and provincial government, we will add three more items to the work of keeping members of party and government leading bodies at and above the township (towns) clean and self-disciplined: 1. Using office time to play mahjong is not permitted, and gambling by playing mahjong or gambling in a disguised form is strictly forbidden; 2. overdrinking or forgetting oneself in one's cups is forbidden; 3. holding dance parties during office hours, or asking for a dance party while working at grass-roots organs, is not permitted, and holding special dance parties for leading cadres is strictly forbidden.

Regarding the content of the work to keep leading cadres of state-owned enterprises clean and self-disciplined, the central authorities have proposed four stipulations and "eight prohibitions." We should conscientiously examine and check ourselves in line with this content. While organizing leading cadres of state-owned enterprises to universally carry out this work, all localities should give priority to grasping the self-disciplined work of enterprises seriously running in the red, enterprises that make false profit-making reports but are actually suffering deficits, and enterprises whose workers have strong complaints. It is necessary to combine the work of keeping leading cadres clean and self-disciplined with deepening enterprise reform; to do a good job in building enterprise leading bodies; and to mobilize the enthusiasm of the broad masses of workers. We should conscientiously organize democratic life activities on keeping oneself clean and self-disciplined, should implement this work, and should honor our commitment.

The conference called for concentrating efforts on investigating and handling major and appalling cases and on strengthening the fight against corruption. This year, the priority for investigating and handling cases is still on cases of law and discipline violations involving party and government leading organs, administrative and law enforcing organs, judicial organs, and economic management departments and cases involving leading cadres at and above the county (section) level. Meanwhile, we should give impetus to investigating and handling cases on law and discipline breaches in the banking and construction spheres as well as other major spheres.

The conference stressed that continued efforts should be made to clear up and check the unhealthy trends about which the masses have strong complaints. This is a long-term and arduous task. We must exert efforts to take both radical and stopgap measures, grasp this work repeatedly, and check the reappearance of unhealthy trends. It is necessary to adopt effective measures and to guarantee that the three work tasks will be implemented where needed. Party committees and governments at all levels should further strengthen the leadership over anticorruption work; should establish a responsibility

system in competent departments in line with the principle that if problems crop up, whoever is in charge should be held responsible; should persist in taking radical and stopgap measures and strengthen education and the building of systems; and should further strengthen supervision and inspection of the implementation of the anticorruption work. While strengthening organizational supervision, we should also give play to the supervisory roles of the masses of people, democratic parties, propaganda organs, and public opinions, and should form an all-directional and multi-layered supervisory network.

Local Shanxi Officials Penalized for Failure

OW0503153295 Beijing XINHUA in English 1516
GMT 5 Mar 95

[FBIS Transcribed Text] Taiyuan, March 5 (XINHUA)—Some 40 local leading officials in north China's Shanxi Province were criticized by the provincial government and their salaries lowered by one scale for having failed to fulfil their tasks for January this year.

A relevant circulation, issued by the provincial government, has been distributed to local government departments across the province.

The leading officials from 13 counties and cities did not fulfil the goals set by the provincial government for the first month of 1995 in reducing inflation rates, expanding farming and other rural undertakings, invigorating state-owned enterprises, cutting back government expenses and further developing local economy.

At an economic work conference held in the province at the end of last year, the provincial government worked out a scheme in which local officials' duties were defined and rules for awarding or penalizing elaborated, so as to help build up a group of responsible officials.

County magistrates, deputy county magistrates, bureau chiefs and deputy bureau chiefs of six counties in the Linfen Prefecture, southeastern Shanxi, were criticized and their wages lowered because of their failure to accomplish their duties in January.

Similarly, leading officials of six counties and cities of the Yuncheng Prefecture were also penalized.

Local leading officials will even be dismissed from their posts if they again fail in their duties for next few months, the provincial government warned.

Northeast Region

Jilin Secretary on Organizational Building

SK0703021495 Changchun JILIN RIBAO in Chinese
14 Feb 95 pp 1, 6

[By reporter Yu Shui (0060 3055): "Make Great Efforts To Raise the Level of the Building of Rural Grass-Roots Organizations From the High Plane of Reform, Development, and Stability"]

[FBIS Translated Text] On the morning of 13 February, provincial leaders He Zhukang and Gao Yan listened to the report on the provincial conference on building rural grass-roots organizations and discussed with the representatives of conferees on how to further build up rural grass-roots organizations.

Wang Jinshan, deputy secretary of the provincial party committee, presided over the conference. Attending the conference were provincial leaders Zhang Yueqi, Su Rong, Feng Ximing, Xu Zhongtian, and Wang Guofa.

During the discussion, conferees aired their own views and spoke their mind freely. They unanimously maintained: Strengthening the building of rural grass-roots organizations is a fundamental project to carry out the "new great program." Principal responsible comrades of party committees of various cities, autonomous prefectures, and counties (cities and districts) should actually list the building of rural grass-roots organizations as an important item on their daily agenda from the high plane of overall interest and strategy. They also offered many good views and suggestions on how to build leading bodies well, how to choose good secretaries for village party branches, and how to lead peasants to achieve common prosperity.

He Zhukang, secretary of the provincial party committee, made a speech after earnestly listening to the views of conferees. He called on all levels of party organizations in the province to realistically and earnestly study and explore how to strengthen and improve the building of rural grass-roots organizations with a view to truly meeting the CPC Central Committee's requirement for strengthening and improving the building of rural grass-roots organizations.

First, we should approach the building of rural grass-roots organizations to the height of the general task of reform, development, and stability. He pointed out: Strengthening and improving rural grass-roots organizations is a major component part of the implementation of the central authorities' overall disposition for strengthening party building as well as a major component part of the "new great program." To making this work a success, the key lies in leaders; and for leaders, the key lies in understanding. To strengthen the position of agriculture as the foundation for the national economy and to promote the all-around development of the rural economy and the society, we should do a lot of work, with the focus on building good rural grass-roots organizations, whose core is party branches. If we have strong and competent rural grass-roots organizations, the implementation of the party's principles, policies, and work toward the countryside will be provided with specific organizers, the common prosperity of numerous peasants will be provided with a mainstay, and the deepening of rural reform and the acceleration of the rural economic development and social progress will be provided with an organizational guarantee. For the last few years, in line with the arrangements of the CPC

Central Committee and the provincial party committee, party committees at various levels in the province have done a great deal of work to build up the village-level organizations with party branches as the core, in close combination with the practice of leading peasants march toward the objective of becoming relatively well-off. As a result, noticeable results have been achieved, and village-level organizations have played the role as fighting bastion in raising the province's economy to a new height and in promoting the overall progress of society. However, the level of the building of rural grass-roots organizations throughout the province needs further improvement. Weak and listless style of work and administrative dishonesty still exist at some grass-roots organizations in varying degrees. If we refuse to strengthen the building of rural grass-roots organizations, the central authorities' principles and policies on strengthening agriculture and rural work cannot be successfully implemented, peasants' initiative cannot be fully mobilized, and the modernization of agriculture cannot be realized. Therefore, we must regard the building of rural grass-roots organizations as the key project to strengthen agriculture and develop rural economy, as a basic project of party building, and as a fundamental link of the building of state political power.

Second, we should actually strengthen the building of rural grass-roots organizations, with party branches as the core, while striving to make the countryside relatively prosperous. He Zhukang stressed: To fulfill the strategic objective raised by the fourth plenary session of the sixth provincial party committee, we need strong and capable organizations and leaders and, at the same time, we are required to build 26,000 rural grass-roots party organizations, to make every grass-roots organization full of vitality, and to organize 390,000 rural party members to successfully lead the masses march toward the objective of becoming relatively well-off. The development of the socialist market economy is not only inseparable from macroeconomic regulation and control but also inseparable from the microeconomic organization and management. Under the new situation in which the rural economy is gradually orienting to the orbit of the socialist market economy and the role of market mechanism in regulating the development of the countryside becomes greater and greater, peasants still depend to a great extent on party and government organizations in developing production. Therefore, in objective, grass-roots organizations are demanded to embody the party's purpose of wholeheartedly serving the people, to reflect and protect the interests of peasants, and to help and lead peasants to strive for development in line with market demands. Currently, we should actually enhance the building of rural grass-roots organizations while striving to make peasants lead a fairly comfortable life. We should first strive to choose good secretaries for party branches of villages and then pay attention to the building of other village-level organizations, such as villagers' committees, collective economic organizations, the Communist Youth League

organizations, women's federations, and militia organizations. Education and management of rural party members should be strengthened truly. While reinforcing the building of rural grass-roots organizations, we must pay attention to developing and enhancing the strength of the collective sector of the economy. If the collective sector of the economy develops vigorously, collectives, which have substantial resources, will play a demonstrative, promotional, organizational, and supporting role in readjusting industrial and production structures, spreading advanced technology, conducting socialized service, developing public welfare undertakings, and relieving economic contradictions; the coherence and prestige among grass-roots organizations will be enhanced; and the relations between the party and the masses and between cadres and the masses will become better and better. Hence, we should regard the efforts to develop the village-level economy as a major measure to build rural grass-roots organizations with party branches as the core and to enhance the cohesiveness, appeal, and fighting capacity of village-level organizations. What should be stressed particularly is that the building of spiritual civilization is also included in the task of making the people become relatively well-off. The endeavor in building spiritual civilization should in no way be slackened, and this work should also be provided with objectives, plans, and measures.

Third, we should seize the favorable opportunity to truly fulfill the task of building rural grass-roots organizations. He Zhukang pointed out: At present, strengthening party building and strengthening the building rural grass-roots organizations, with party branches as the core, has already become the common understanding of party organizations at all levels and the vast numbers of party members and become the common aspirations of the masses of peasants. Party committees at all levels must have a clear understanding of the situation and seize the favorable opportunity to truly realize the various tasks regarding the building of rural grass-roots organizations. A responsibility system should be introduced for this work. Those who refuse to grasp rural party building should be regarded derelict of duty, and those who fail to grasp party building should be regarded incompetent. On the basis of introducing the responsibility system universally, the work of party building should be firmly grasped village by village. The most urgent task at present is to concentrate efforts on consolidating and building grass-roots party branches that are weak, listless, and paralyzed. In grasping implementation, attention should be paid to reform and renovation with a view to again improving the level of the building of rural grass-roots organizations.

Governor Gao Yan offered some specific views on how to give full play to the role of rural grass-roots organizations in an effort to ensure the fulfillment of the objective of making the people lead a comfortable life three years ahead of schedule.

First, we should fully understand the important role of rural grass-roots organizations in making the people lead

a comfortable life. He pointed out: To develop the rural economy, we should depend on the guidance by rural grass-roots organizations. Developing the rural economy under the condition of establishing the socialist market economic system is not only a new undertaking but also a complicated project. When making peasants and individual households develop the rural economy all by themselves, there will be the problem that their abilities are not equal to their ambitions in terms of economic strength, money-making channels, scientific and technological expertise, and money-making skills. This requires rural grass-roots organizations to organize and guide peasants to select correct channels of making money through hard work; to seek unity of thinking among the vast numbers of peasants in line with the party's line, principles, and policies and fully mobilize their initiative in production; and to establish and perfect the preproduction, production, and postproduction service systems and provide information and technological service for peasants in a bid to orient the rural economy to the path of developing trade, industry, and agriculture altogether and making marketing, production, and supply a coordinated process. Special attention should be paid to invigorating the markets in small cities and towns in order to gradually make urban and rural areas an organic whole. In following the road of achieving prosperity altogether, we should depend on the guidance by rural organizations. When viewed from the province's practical situation, the degree of prosperity of numerous peasants has been actually enhanced for the past several years along with the development of the rural economy. However, some localities see the problem that peasants already becoming rich have only absorbed their own prosperity, but have been reluctant to help others, the poor in particular. To resolve this problem, we should give play to the role of rural grass-roots organizations in educating and guiding peasants to correctly handle the relations between personal prosperity and common prosperity. We should also make the effort to support the poor become the conscious action of the vast numbers of party members, cadres, and the masses. Spiritual civilization should be focused on construction. The building of spiritual civilization, including the efforts to do away with feudalism and superstitions, to check gambling and other corrupt customs, to deal blows to village marauding and waylaying, to maintaining social order, to purifying social atmosphere, to implementing family planning policies, to universalize scientific and general education, and to build civilized townships and villages, should be conducted under the organization and leadership of rural grass-roots organizations.

Second, we should raise the building of rural grass-roots organizations to a new level. He pointed out: In ideological building, we should persistently arm the vast numbers of rural grass-roots cadres with the theory of building socialism with Chinese characteristics. In addition to studying basic theories, persisting in basic line, and implementing basic policies, these cadres should actively organize peasants to study the basic knowledge

on market economy and the knowledge on agricultural science and technology in an effort to make peasants, young peasants in particular, truly master real skills to develop the economy. Party committees and governments at all levels should, proceeding from the practical needs to realize the objective of making peasants become relatively well-off, actually strengthen the political and theoretical building among grass-roots cadres, and should, in organizational building, emphatically grasp the building of village-level organizations, with village party branches as the core. In terms of the building of work style, prominence should be given to the endeavor in establishing closer ties between cadres and the masses. Rural grass-roots cadres should be educated and guided to conscientiously implement the guidelines of the fourth plenary session of the 14th CPC Central Committee, to inherit and carry forward the fine tradition and work style of the party, to persist in the party's mass line, to firmly embrace the sense of public servants, and to truly put the people's interests in the first place.

Third, we should positively and actively create a fine environment and condition for exploiting the role of rural grass-roots organizations. He pointed out: On the one hand, we should truly grasp all the work that facilitates the grass-roots organizations. Comrades of party committees and governments at or above the county level, including other organizations, should firmly embrace the idea of serving the grass-roots organizations and should try every possible means to render service for rural grass-roots organizations. On the other hand, we should be concerned with and cherish rural grass-roots cadres, village cadres in particular. The rural grass-roots cadres who are impartial and upright in their ways, are honest and diligent in performing their official duties, and have made outstanding contributions to promoting rural economic development and social progress should have their achievements fully affirmed, should be widely propagated and commended, and should be given necessary material and spiritual awards. We should regard it a system to invite and employ township and town cadres from among excellent village cadres. The cadres who refuse to handle affairs for the masses, play the tyrant in villages, and ride roughshod over the ordinary people should all be dealt with as soon as they are discovered. We should fully mobilize the initiative of grass-roots cadres and enable them to make new and even greater contributions to uniting and leading the broad masses of peasants to fulfill the objective of becoming relatively well-off three years ahead of schedule.

Liaohai Director Sees Stable Oilfield Output in Liaoning

OW0703165295 Beijing XINHUA in English 1513
GMT 7 Mar 95

[FBIS Transcribed Text] Shenyang, March 7 (XINHUA)—The Liaohai Oilfield in northeast China, the third largest in the country, will maintain a stable output

for a long period of time, and has broad prospects for exploration, according to Wang Xiancong, director of the Liaohe Oilfield Exploration Bureau here.

Sources say that proven oil reserves in the Liaohe Oilfield were 93 million tons last year, leading all other major oilfields in China, with well over 60 percent of them proven to be of high quality.

Production of crude oil in 1993 was put at 14.2 million tons, and reached 15 million tons last year.

Wang said that the potential for further exploration is immense, due to the fact that more than 60,000 square kilometers in area have not been explored.

It is estimated that crude oil production this year will reach 16 million tons, with proven deposits expected to top 100 million tons, and over the next five years, deposits will increase at an average of 80 million tons yearly, but annual output will remain at 16 million tons on average.

The oilfield covers more than 32 counties and banners in Liaoning Province and the Inner Mongolia Autonomous Region, with the total exploration area nearing 90,000 sq. km., and is a multi-layered oil-bearing structure, with a variety of oil and natural gas deposits.

After nearly 20 years' exploration, it has the capacity of 15 million tons of crude oil annually, and natural gas topping 1.7 billion cubic meters, 10 percent of China's total oil output.

Northwest Region

Qinghai Promotes Education for Minority Females

OW0803105495 Beijing XINHUA in English 0839
GMT 8 Mar 95

[FBIS Transcribed Text] Xining, March 8 (XINHUA)—Girls from ethnic minorities in northwest China's Qinghai Province are now enjoying the same schooling as boys owing to special policies of the provincial government.

More than 5000 girls from a dozen of ethnic communities, half of the total number of drop-outs in this inland province, have returned to school thanks to the "Hope

Project" which was launched in the country in 1991 to help those who cannot afford to go to school, according to the Provincial Education Bureau.

More than 99 percent of the women in the province were illiterate before the founding of the People's Republic of China in 1949, and special policies have been put into practice to encourage girls from ethnic groups to receive an education in the intervening years. Primary and middle schools have been set up for girls, who have also been enrolled in special classes at general public schools.

Girls from nomadic families are provided with free accommodation as well as clothing and writing materials at boarding schools. Subsidies have also been given to girls from rural and poverty-stricken areas.

Statistics show that in the pastoral areas 24,838 pupils, half of whom are girls, are now studying at 283 primary boarding schools, double the 1982 figure.

Six special high schools have been set up for girls from the Hui and Sala ethnic communities and more than 2,600 girl students have graduated from them. As many as thirty girls are now even studying at universities and colleges both inside and outside the province.

4.4 Billion Tons of Deposits in Shaanxi Coalfield

OW0703133995 Beijing XINHUA in English 0659
GMT 7 Mar 95

[FBIS Transcribed Text] Xian, March 7 (XINHUA)—A coalfield with deposits of 4.4 billion tons of high-quality coal has recently been verified in northwest China's Shaanxi Province.

The 730-sq. km. Coalfield, located to the north of Yulin city, in the north of the landlocked province, has been measured as having nine beds of coal totalling 17 meters in thickness.

The coal, with little ash, sulphur, or phosphorus content, can be dressed easily and used widely in the energy and chemical industries.

The coalfield is situated in a simple geological strata with the coal beds lying not far beneath the earth's surface. It is learnt that local authorities are making preparations for starting the construction of the coalfield as soon as possible.

Mainland Officials To Promote Taiwan Shipping
HK0703104595 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0906 GMT 22 Feb 95

[“Mainland Senior Officials in Charge of Shipping Business Are Permitted To Go to Taiwan To Promote Direct Shipping Services Across the Strait”—ZHONGGUO TONGXUN SHE headline]

[FBIS Translated Text] Hong Kong, 22 Feb (ZHONGGUO TONGXUN SHE)—News from Taipei: People in Taiwan's ocean shipping circles have disclosed that Meng Guangqu [1322 1639 4234], former director of the Taiwan Affairs Office of the Ministry of Communications and now chairman of the Association for Shipping Exchange Across the Taiwan Strait, and Chen Zhongbiao, president of the China Ocean Shipping (Group) Company, will visit Taiwan on 4 March by invitation. They will be the most senior mainland shipping officials ever to visit Taiwan. It is expected that certain results will be achieved through direct communications with the Taiwan side on issues such as Taiwan setting up a transshipment center outside its borders and ocean shipping across the strait.

Taiwan businessmen revealed that Meng Guangqu and Chen Zhongbiao have been invited by the Taiwan Shipping Association to visit the island. The two officials also applied to participate in a forum on cross-strait shipping business in Taiwan at the beginning of last year, but their applications were not accepted. The approval of their Taiwan visit this time shows that the Taiwan authorities are attaching importance to the issue of cross-strait shipping and have relaxed relevant policies to increase the level of shipping exchange between the two sides.

It is learned that Meng Guangqu, former director of the Taiwan Affairs Office of the Ministry of Communications on the mainland, retired at the end of last year. On several occasions he received responsible persons of various big Taiwan shipping companies on behalf of the mainland's Ministry of Communications and met with

representatives of Taiwan's ocean shipping circles twice in Hong Kong. He offered great help to Taiwan shipping businessmen who had encountered difficulties on the mainland. After retirement, he became an adviser to the Ministry of Communications. On 14 January this year he was elected chairman of the Association for Shipping Exchange Across the Taiwan Strait, which had been brewing for a long time on the mainland.

Violinist Leaves for Taiwan at SEF's Invitation

OW0703152195 Beijing XINHUA in English 1456
GMT 7 Mar 95

[FBIS Transcribed Text] Shanghai, March 7 (XINHUA)—Leading Chinese violinist Yu Lina left here today for a three-week performance tour of Taiwan at the invitation of the Taiwan-based Straits Exchanges Foundation (SEF).

Yu, also a professor at the Shanghai Conservatory of Music, came to fame for her successful performance of the famous Chinese violin concerto, “The Butterfly Lovers”, in 1959, when she still studied at the conservatory.

Yu is also well known on both sides of the straits as the first artist from the Chinese mainland to visit Taiwan, in October 1990.

She is currently accompanied by two of her students, 14-year-old Pan Yiqiong and 19-year-old Wang Hao, winners of international and domestic violin competitions.

“We want to enhance exchanges between artists on both sides of the straits,” Yu said.

They will hold three concerts in Taipei and Kaohsiung together with local symphony orchestras, and plan to give solo performances in universities and colleges there.

Yu also told XINHUA that she will go to Taiwan again this May to hold a concert with her son, Li Jian, a young pianist.

Trade, Investment Talks With U.S. 'Fruitful'
OW0803112295 Taipei CNA in English 0939 GMT
8 Mar 95

[By Y.C. Pan and Sofia Wu]

[FBIS Transcribed Text] Washington, March 7 (CNA)—The first Taiwan-U.S. meeting under the trade and investment framework agreement (TIFA) ended here Tuesday [7 March] with fruitful results.

Lin Yi-fu, head of the Taiwan delegation, said the two-day meeting proceeded in an amicable atmosphere and laid a solid foundation for future trade and economic cooperation between the two countries.

The two sides have come to terms on the English version of a memorandum of understanding (MOU) on reciprocal protection for trademarks and patents, said Lin, also director-general of the Board of Foreign Trade.

Under the agreement, Taiwan will offer "priority" protection for U.S.-registered trademarks and patents on a reciprocal basis. The MOU is expected to be formally signed later this year, Lin noted.

The two sides also agreed to begin formal discussion on the signing of a temporary import system accord to further facilitate bilateral commercial, cultural and technological exchanges, Lin said. Taiwan has signed such agreements with 21 countries to allow temporary entry of goods or instruments for exhibition or non-commercial purposes. Negotiations with U.S. authorities over the issue will begin in the near future.

As for an investment protection agreement, Lin said, the two sides are still divided on some key points. U.S. negotiators suggested that the agreement cover protection of intellectual property rights, while Taiwan delegates opposed the proposal. The American delegation also demanded that Taiwan further ease restrictions on medical equipment imports and on foreign investment in cable TV and power generation.

"The two sides need further consultations before a bilateral investment protection agreement can be signed," Lin said.

U.S. Assistant Trade Representative Bob Cassidy, who headed the 40-member American delegation, said the first-ever Taiwan-U.S. TIFA meeting was fruitful and helpful. In addition to reaching agreement on many key points, Cassidy said, the two sides have become more aware of each other's stance on some controversial trade issues.

Cassidy said the U.S. Government has not made a final decision on whether to remove Taiwan from its Special 301 "watch list" for constant monitoring to prevent intellectual property rights infringement. The "watch list" is scheduled to be released in late April.

Taiwan and the U.S. signed the TIFA accord last September, under which the two sides will meet once every year to discuss trade issues of mutual concern.

The two countries are also scheduled to hold vice ministerial-level trade consultations in April or May. Despite the absence of diplomatic ties, substantive relations between the two countries have been close. America has been Taiwan's most important trade partner.

War Games Testing Tanks, Telecommunications Gear

OW0803023595 Taipei CNA in English 0153 GMT
8 Mar 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taichung, March 7 (CNA)—War games aimed at testing the combat capability of locally manufactured M48-A5 and M48-H tanks began on the west coast of central Taiwan on Tuesday [7 March], a ranking Army officer said.

"This is the first time the tanks are being exposed to military exercises," General Li Chen-lin, commander in chief of Army, told the press. The Army has 450 of the medium-sized M48 tanks in service.

Some 800 artillery, self-propelled howitzers, tanks and armored personnel carriers, as well as 4,000 servicemen, have been mobilized for the five-day military exercise, codenamed "Chang Tai No. 13."

Four AH1W attack helicopters, two OH58D surveillance helicopters, and 15 UH-1H transportation copters are also taking part in the maneuvers, he added.

Telecommunications equipment developed by the military-run Chungshan Institute for Science and Technology is also being tested for the first time.

Li stressed that the maneuvers are routine and have nothing to do with Mainland China's reported deployment of M-missiles in Fujian Province, which is opposite Taiwan.

Taipei regards Beijing's move as hostile, since it puts the whole of Taiwan within range of the missiles. ROC Premier Lien Chan earlier this month demanded that Beijing explain the move, but mainland authorities reacted by declining that the missiles had been moved.

Government 'Determined' To Join GATT

OW0803021295 Taipei CNA in English 0144 GMT
8 Mar 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, March 7 (CNA)—Premier Lien Chan said on Tuesday [7 March] that the government is determined to gain entry to the General

Agreement on Tariffs and Trade (GATT) and its successor body, the World Trade Organization, and that Taiwan's application process has been going smoothly.

Lien made the remarks when answering questions by Democratic Progressive Party legislator John C.Y. Li, at a Legislative Yuan session.

Lien said that after joining GATT, Taiwan's economy is expected to grow by an annual rate of 6.0 percent by 2000 and stabilize at 5.5 percent by 2005. If Taiwan remains a non-GATT member, Lien said, the economy would increase by just 1.0 percent annually over the next 10 years, pointing to the obvious need to gain GATT membership.

Semiconductor Production To Rank 4th by 2000

*OW0803023695 Taipei CNA in English 0126 GMT
8 Mar 95*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, March 7 (CNA)—Taiwan will rank as the world's fourth-largest producer of semiconductors by the turn of the century, the China External Trade Development Council (CETRA) said on Tuesday [7 March].

"Prospects for the local integrated circuit [IC] industry are promising," said an official with the CETRA, the semi-official trade promotional organization.

The optimism is based on the massive volume of investment being mooted by leading IC makers like United Microelectronics Corp. and Taiwan Semiconductor Manufacturing Corp. Ten eight-inch IC wafer plants are expected to be built within the next three years at a cost estimated at NT [new Taiwan] \$230 billion (US\$8.75 billion).

Taiwan's IC industry churned out products worth US\$3.1 billion in 1994, marking a hefty growth of 64 percent over the preceding year. The value also translated into a 2.8 percent share of the global IC market.

Taiwan's booming IC industry has attracted rising attention, the official said, adding that a trade delegation comprised of representatives from 30 Japanese enterprises will visit Taiwan in April to explore purchasing IC products here.

Ministry Orders Completion of Network By Sep

*OW0803034195 Taipei CNA in English 0142 GMT
8 Mar 95*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, March 7 (CNA)—The Ministry of Finance has agreed to Citibank's plan to establish a credit-card center in Taiwan, which would be Citibank's second credit-card center in Asia after the one in Singapore, a ranking ministry official said on Tuesday [7 March].

"The Ministry of Finance has given the nod to the application filed by Citibank," said Tsai You-tsai, deputy director of the ministry's Monetary Affairs Bureau.

The center will be built over the next three years at a cost of US\$15 million. It will employ 30 personnel when it is completed, with the majority being from Taiwan, according to Citibank's application.

Noting that a credit-card operations system involves high technology, Tsai said Citibank's plan will help convince other foreign banks and sectors to make Taiwan their regional operations headquarters.

Citibank chose Taiwan for its regional credit-card center because of the country's stable politics, relatively low wages, well-trained workforce, harmonious labor-management ties, as well as the availability of advanced electronics telecommunications facilities, Tsai said, citing Citibank's own evaluation.

The local market potential was also a factor taken into consideration by Citibank in launching the plan, Tsai added.

According to statistics compiled by the US Treasury Department, Citibank had issued 2.4 times as many Visa and Master Cards as local banks as a whole as of the end of 1993.

At present, there are 3.4 million Citibank credit cards circulating in Asia and the Middle East, with Taiwan, together with Hong Kong, accounting for as many as 38 percent of the bank's aggregate card holders in the region.

Also on Tuesday, the Ministry of Finance ordered the National Finance Information System to complete by September the installation of a financial electronic data interchange (EDI) network—a system designed to link up local electronic banking operations.

The EDI will feature electronic mail, a data bank, a bulletin board system, and a file passage that will allow local banks to facilitate services ranging from domestic money remittance, electronic account transfer, and arranging letters of credit.

Officials To Participate in OECD Seminars

*OW0803034295 Taipei CNA in English 0201 GMT
8 Mar 95*

[By Flor Wang]

[FBIS Transcribed Text] Taipei, March 7 (CNA)—In a bid to increase the nation's presence in the international community, the government has decided to send officials to take part in seven seminars sponsored by the Organization for Economic Cooperation and Development (OECD) this year, Vice Economic Affairs Minister Sheu Ke-sheng said on Tuesday [7 March].

The symposiums, slated from April through December, will be held in New Zealand, France, Mexico, and Chile. Member countries will discuss and exchange opinions on overseas investment, regional economic and financial integration, the signing of tax agreements, and trade ties, Sheu said.

Taiwan became a dialogue partner of the OECD in 1989 and participated in its six seminars last year. Although the government is interested in joining the Paris-based international economic organization, Sheu said it has no specific timetable for achieving the goal. At present, the government's policy focuses on sending officials to OECD seminars.

Officials from the Board of Foreign Trade, the Industrial Development Bureau, the Industrial Development and Investment Center of the Economic Affairs Ministry, the Council for Economic Planning and Development, the Environmental Protection Administration, and the Finance Ministry's Monetary Affairs Bureau and Taxation Department will take part in this year's OECD seminars, Sheu noted.

Council To Aid Creation of FRG Alliances

OW0803114395 Taipei CNA in English 0910 GMT 8 Mar 95

[By Daniele Yang]

[FBIS Transcribed Text] Taipei, March 8 (CNA)—The China External Trade Development Council (Cetra) trade opportunity project (TOP) will help domestic enterprises form strategic alliances with German companies, a TOP section chief said Wednesday [8 March].

The German Electronics Industry Association has recently promised to cooperate with TOP to introduce German firms to joint venture opportunities with Taiwan companies.

Several domestic information companies have expressed their willingness to work with TOP to promote the project and a TOP delegation traveled to Germany recently to consult with the German association on steps to implement the agreement.

Local industries have been urged to take advantage of the economic sluggishness in Europe to enter strategic alliances with their German counterparts. German industries boast advanced technologies and research and development capabilities, a Cetra official noted.

Meanwhile, TOP will be expanded on April 1 to include a Vietnam investment consultation service center to promote strategic alliances with leading manufacturers in the United States, Britain, France, Germany and Vietnam, the official said.

TOP will further promote strategic alliances between foodstuff industries from Taiwan and the United States

this year, the official added. The U.S. will be represented by the Mid-America International Agri-Trade Council (Miatco).

Miatco will also dispatch a delegation to visit Taiwan on March 21 to attend a seminar with local foodstuff manufacturers, the official said.

Vietnam has become a hot investment site in recent years, the official said. Strategic alliances with Vietnam enterprises are increasingly important, he added.

Ministry Studies Joint Energy Source Development

OW0803115095 Taipei CNA in English 0945 GMT 8 Mar 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, March 8 (CNA)—The Ministry of Economic Affairs is studying the feasibility of joint energy resource development with Mainland China.

If statutes governing cross-Taiwan Strait relations allow, Taiwan should not hesitate to offer its capital and technical expertise for joint ventures on energy development in the mainland, officials from the ministry's Energy Commission said.

Mainland China's poor transportation network makes distribution of coal, crude oil and other energy sources nearly impossible, the officials noted.

While most of the mainland's economic centers are located in eastern and southern China, its energy resources remain inconveniently located in other parts of the huge country, the officials explained. Many of the mainland's coal mines are located in the north, while hydraulic energy centers are gathered in the west, and 85 percent of crude oil resources are along the north bank of the Chang Jiang, they said.

Coal, a common source of energy on the mainland, is also one of the mainland's major export items. Coal exports totaled 19.81 million metric tons in 1993, commission officials quoted mainland customs tallies as saying.

The mainland has the world's 10th richest deposits of crude oil totaling about 3.279 billion metric tons. By comparison, its per capita oil distribution totaled only about 2.87 metric tons, the officials said.

With energy consumption increasing considerably, more measures are needed on the mainland to save energy as well as to produce more energy from diversified resources, including industrial co-generation, hydraulic energy and nuclear power, the officials added.

The commission predicted that future development of energy resources there will focus on hydraulic and nuclear power.

MAC Official Urges Beijing Response to Plan
OW0803115695 Taipei CNA in English 0920 GMT 8 Mar 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, March 8 (CNA)—A Taiwan official on Wednesday called on Mainland China to make a goodwill response to Taipei's offshore shipping center plan.

Fu Tung-cheng, director of the Economic Affairs Department under the Mainland Affairs Council (MAC), said that the planned offshore shipping hub aims to solve problems caused by the lack of direct shipping links across the Taiwan Strait.

The cross-strait route, to be sailed by foreign vessels or Taiwan ships registered in foreign countries, will be neither a domestic nor an international line, but a special line, Fu stressed, noting that it will serve an international cargo transshipment function.

Its business scope will cover only transshipment cargoes that do not have to face entry or customs clearance, he explained.

Noting that the offshore shipping hub will be most concerned with market size, he pointed out that the plan will help build Taiwan into an Asia-Pacific regional operations center.

The MAC official expressed the hope that Mainland China will seek to understand the plan's contents and make a goodwill response.

He said that time is not yet ripe for Taiwan and the mainland to conduct negotiations on direct shipping connections. Direct shipping will be based on preservation of national dignity and safety and not just economic interests, he added.

Taiwan To Aid Three Vietnam Industrial Zones
OW0803114495 Taipei CNA in English 0904 GMT 8 Mar 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, March 8 (CNA)—Taiwan is cooperating with the Vietnamese Government to develop industrial zones in Hanoi, Haiphong and Hai Hung Province, the Ministry of Economic Affairs said Wednesday.

The development plan is part of the government's "southern strategy," which encourages expanded Taiwan investment in Southeast Asian countries, said Chou Yan, executive secretary of the International Economic Cooperation Development Fund (IECDF), an offshoot of the economics ministry.

The three industrial zones will be used to provide better government-sponsored protection to individual Taiwan investors who previously had to strike out on their own, Chou said.

The industrial zones, either for export-oriented industries or domestic markets, will substantially cut investment risks for Taiwan investors in Vietnam, he emphasized.

Chou, who just returned from a trip to Vietnam, said the IECDF and the Vietnamese Government reached a verbal agreement on development of the three industrial zones and formal strategic alliance agreements are expected to be forged soon.

Under the agreement, groundbreaking is scheduled for May 12, 13 and 31 for the development projects in Hanoi, Haiphong and Hai Hung, respectively, Chou noted.

A total of 25 Taiwan firms have already registered to operate in the Hanoi Taiwan Industrial Zone, a 40-hectare complex to be located some 10 kilometers from downtown Hanoi, Chou said.

The 300-hectare Haiphong zone will be located about 12 kilometers from downtown Haiphong, he added.

The Vietnamese Government relaxed restrictions on foreign investment late last year, allowing overseas investors to hold a 100 percent share in their companies. The policy will further boost Taiwan investment in the Southeast Asian country, Chou said.

Japan To Simplify Procedures on Exports

OW0803115495 Taipei CNA in English 0929 GMT 8 Mar 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, March 8 (CNA)—Japan has agreed to simplify the procedures for strategic commodities exports to Taiwan, the Board of Foreign Trade (BOFT) said Wednesday [8 March].

Hsu Wen-lung, a BOFT section chief, noted that Taiwan won the concession from the Tokyo government following a series of talks with Japan's Ministry of International Trade and Industry (MITI). Hsu just returned from consultations in Tokyo where he was chief Taiwan delegate.

Japan has decided to shorten the issue of export permits for strategic goods or related technologies to Taiwan from five days to three days and pledged to inform Taiwan before any adjustments in the procedures, he elaborated.

Taiwan has implemented a comprehensive strategic goods import control system, known as IC-DV (import control - delivery verification), since last March.

Satisfied with the system, Japan began on Jan. 1 requiring its strategic commodities exporters to produce Taiwan-issued "import certificates" when selling sensitive high-tech products to Taiwan. The measure is aimed at preventing its strategic commodities or technologies from being shipped to off-limits countries or areas.

Japan was the second country to adopt such a measure and to recognize Taiwan's strategic goods import control system after the United States.

However, domestic importers complained that deliveries of the strategic goods they ordered from Japan were still delayed despite the use of import certificates. The complaint prompted the recent negotiations in Tokyo.

The simplified practice will make it easier for local companies to purchase state-of-the-art technologies or advanced instruments and components from Japan, Hsu stressed.

He also explained that the IC-DV system echoes the spirit of the now-defunct Coordinating Committee for Multilateral Export Control (Cocom), which was initiated by the United States in 1949 to curb the sale of strategic weapons and technologies to communist countries.

Cocom restricted exports of nine categories of products, including cutting-edge materials, material processing know-how, electronics, computers, telecommunications, sensors, radar, aviation equipment and electronics, shipbuilding technologies and propulsion systems.

Cocom, which successfully helped maintain Western nations' military superiority and thus safeguard world peace, was disbanded in March 1994 in the wake of the disintegration of the Soviet Union and the democratization of Eastern European countries.

The IC-DV system now targets the strategic goods embargo on rogue nations such as Iraq and North Korea.

*Article Views 'Values' of People of Taiwan

95CM0100B Taipei TIENHSIA [COMMONWEALTH] in Chinese No 163, 1 Dec 94 pp104-106

[Article by Lin Yi-hsiung (2651 5030 7160): "Rehabilitate the System of Values of Taiwan's People"]

[FBIS Translated Excerpt] [passage omitted]

First, the customary Taiwanese approach to nature is centered on the human being, regarding other living creatures as tools to be used by humans to satisfy their desires. When we look at these other precious and marvelous living beings, what we often see are that we kill them for tonics to build up our own health. We do not cherish other elements of nature either, wantonly destroying mountains and rivers with such phenomena as defoliation, widespread excavation of mineral resources, etc. And these are such common occurrences

they can be seen anywhere. These all show that the Taiwanese sense of values does not respect lives and pays no attention to ecology.

There has been some progress in cultivating a sense of value for environmental and ecological protection. But as soon as economic growth is mentioned, this value comes to forefront and environmental protection is shunted aside. Therefore, the "Nuclear 4" and the "Light 6" all become absolutely essential construction projects, and most people will support these projects as long as they are not built around their own houses. This shows how the Taiwanese think: The desires of humans should be above the natural environment and the land. This is a sense of values that puts human beings higher than nature, and it is the worst component among the Taiwanese major senses of value.

Second, the Taiwanese also have another view, a sort of caring only for one's own personal interests, regardless of whether it may be a life or death matter for the next guy. Although this kind of view exists around the world, in Taiwan it is more seriously widespread. Most Taiwanese are indifferent to public affairs, and only a relatively few people are willing to devote themselves to it. And among this relative few, a majority just use public affairs as a means for seeking their own individual interests. From small issues to large, we can see this phenomenon of the Taiwanese caring little for public affairs and not cherishing public property. This sense of values that disregards large public interests for the pursuit of individual small interest is the second worst component among the leading senses of value of the Taiwanese.

Third, in the past, the Chinese who came to Taiwan after the war looked down upon the Taiwanese very much, regarding them as second class citizens, and discriminating against them in participation in public affairs, language, and life. This kind of discrimination has taught many painful lessons. However, today, we can sense the same psychology going the other way. Some categories of Taiwanese, especially the Fulao Taiwanese who are predominant in the Taiwanese population, are starting to look down upon people from China, discriminating against those who do not use the Fulao dialect.

A similar psychology of discrimination also occurs in other places: many people look down upon the Hesu people; or look down upon people who were original residents; or look down upon migratory workers, disdainfully referring to them orally as "guest guys," "fan guys," or considering them a low ability and foolish ethnic group. This is the third worst component among the leading Taiwanese senses of value: Discriminating against people who are different from themselves.

Fourth, of these three bad factors, one is the human attitude toward nature, one is the human attitude toward groups, and one is the human attitude toward other people. The sense of value shown by these all stand for being selfish and self-centered. So how do these self-centered Taiwanese view themselves and their people?

Here we find the worst factor in the leading senses of value: The Taiwanese evaluate people by their money and power, and in the end evaluate themselves this way as well. People often judge a person's value not by the honesty and purity of his thought and behavior, but by whether he has money or power. They are respectful of rich and powerful people, but do not take seriously people without money and power. This also causes many Taiwanese to take the pursuit of money or power as their life goal, determining one's value by his accumulation of wealth and obtaining of power.

We can say that the fourth worst factor is the cause of the previous three. When a person's ultimate standard is the amount of money and power, then life, the environment, and public affairs all become very unimportant. Judging a person by his money and power also makes all people, issues, and materials into exchangeable commodities in the commodity market, where people who obtain more profits get more respect, while weak people are bullied and discriminated against. If a person has this wealth and power, then he do whatever he wants, but if a person cannot have this wealth, then he can only indulge himself in self-pity and complaints. [passage omitted]

*Article Views Various Aspects of Taiwan Security

95CM0129A Taipei CHIEN-TUAN K'E-CHI
[DEFENSE TECHNOLOGY MONTHLY] in Chinese
No 124, 1 Dec 94 pp 81-88

[Unattributed article: "The World Beyond Taiwan: The Recognition of Taiwan's Security"]

[FBIS Translated Text]Editor's note: Since the storm touched off by the publication of the book "Leap August 1995," with the approach of the year-end [1994] gubernatorial and mayoral elections, and in light of the setting forth by DPP Chairman Shih Ming-te [2457 2494 1795] of the "view that troops should be withdrawn from Quemoy and Matsu Islands," Taiwan's security has again become for a time the focus of public attention. [end editor's note]

The general recognition of the facts can be viewed from the perspective of both the tangible and intangible. While arms are tangible, duplicity is intangible. The version of Amos Perlmutter and John Gooch is that "duplicity is the oldest and most effective weapon of war." While some things are fungible [preceding word in English], others are irreplaceable. For instance, while money can buy arms, oil, and votes, it cannot serve as conventional or nuclear weapons with which to intimidate one's enemies. This point is verifiable by Iraq's invasion of Kuwait on 2 August 1990.

As everyone's experience and knowledge vary, everyone's recognition [of the facts] also inevitably differs. In addition, while the correct recognition can offset the incorrect one, and vice versa, both the right and wrong recognitions need a common understanding: that

national security involves the four aspects of the military, diplomacy, politics, and economics, and that hardly any country would wish to invite its own destruction, even gradually or in stages.

The Right Recognition

In contrast to the past, today's world order is quite peaceful and calm. As for the Far East and Southeast Asia, that is also the situation. As the Republic of China [ROC] certainly has no intention of threatening other countries, it also does not wish to be threatened by other countries. 1) This article will explore three political entities that might affect the security of the ROC. These three political entities are the People's Republic of China (abbreviated hereafter as PRC), the Taiwanese independence movement (Taiwanese independence, or TI), and Hong Kong. 2) It will also discuss other related countries that indirectly affect the security of the ROC.

The Correct ROC Recognition of the PRC, Taiwanese Independence, and Hong Kong

In short, which of these political entities is the ROC's number one enemy? That needs to be determined by the issue, the situation, and the time. In fact, any of these three entities could alone or together become the arch-enemy of the ROC.

While Taipei might intuitively consider the PRC its number one enemy, with TI ranking second, as the PRC more often poses a threat to Taiwan than TI, the PRC and TI could also join up to become the greatest threat to Taiwan that might be the end of the ROC.

In 1997, once Hong Kong becomes part of the PRC, Hong Kong might also become the PRC's accomplice in threatening the existence of the ROC. We will proceed below in the four areas of the military, diplomacy, politics, and economics to discuss the correct recognition by Taipei of the PRC, TI, and Hong Kong.

Military

Of these four mutual dynamics, the ROC's military might is not up to that of the PRC's PLA [People's Liberation Army], ranking us second. During the 1989 Tiananmen incident, then ROC Defense Minister Hao Po-ts'un held that whether the PRC would attack Taiwan was in PRC hands. In recent years, Taiwan has certainly had a hard time keeping Mafia types from smuggling guns into Taiwan from mainland China and other places, as well as in curbing problems such as disturbances and other acts of piracy by PRC fishing boats.

In addition, in May 1989, former Soviet President Gorbachev made a formal visit to the PRC in his capacity as head of state, normalizing "China"-USSR relations. The CIS is now maintaining quite good relations with the PRC. This has doubled the pressure on the ROC, as it has enabled the PRC to easily transfer its troops that were stationed in the north to the coastal

zone or the China-Vietnam border, to attack or intimidate its enemies. Moreover, it remains very hard for the ROC to buy the necessary most advanced weapons systems from other countries, leaving it with no option but to pay more for similar arms.

It is quite obvious that the ROC is now trying militarily to upgrade its arms production capacity. In an interview, then Premier Hao Po-ts'un stated that: As for ROC naval and air defense, we have developed a complete set of weapons systems. As for air defense, ROC fighters rank with the best, and we have already successfully developed the IDF [expansion unknown] Ching-Kuo fighter.

As for naval defense, two of our eight Success-class missile-patrol ships are in service, with the rest under construction and scheduled to be in full service within a decade. And in relation to this, the key Chiashan Base has been in use since 1992. This plan is mainly for critical times of war, to most effectively use certain strategic resources (such as underground military equipment). In short, the ROC is doing all possible to intimidate the PRC, trying to make the PRC understand that to win this battle, it would have to pay an enormous price.

As to the military might of the Taiwanese Independence movement, it is far from being up to that of the ROC military. Once Mr. Hao Po-ts'un became general chief of staff in 1981, he emphasized the importance of the army. His grounds were probably that while the ROC would be unable to permanently withstand an invasion by the PRC, with the air forces holding out for a month at most, and the Navy possibly a little longer, the ROC Army could suppress or quell a violent uprising by TI elements, to keep the ROC shining as a bright light to illuminate the hopes for existing along with its mainland compatriots.

Moreover, while most Taiwanese would not like to see the TI movement engaged in armed urban and rural guerrilla warfare, there is no way to completely stop extremists from employing violence to create social unrest and confusion as grounds for demanding that the ruling KMT [Kuomintang] yield to their position.

As for Hong Kong, it certainly never posed a direct threat to the security of the ROC in Taiwan in the past. And after 1997, it seems that there is also not much possibility of it becoming a major PRC military base, as the PRC's Nanjing Military Region is its key base in charge of operations against Taiwan. While it is now imaginable that this British colony could do no more than pose a direct threat to the ROC's Dongsha Islands, short of the collapse of Hong Kong's capitalist system, even that would certainly not occur as, by that time, the PRC leadership would quite possibly be united without misgivings in resolving the Taiwan problem.

Diplomacy

As the ROC has always claimed to be the legitimate government [of China], it cannot maintain any official

diplomatic relations with the three abovementioned political entities. While Hong Kong is now still a British colony, after 1997 it will at most be nothing more than a highly autonomous region of mainland China. And the Taiwanese independence movement also can only maintain in Japan and the U.S. a "provisional government" in exile, not daring to formally establish in Taiwan a "central government." In light of this, while most Taiwanese might opt for independence, the PRC would absolutely not allow other countries to recognize any so-called "Republic of Taiwan (ROT)."

But one thing is certain, that ever since early 1970, the PRC has always isolated the ROC from international society, with its intentions undoubtedly being to eliminate the ROC from the face of the earth. A most recent example is that the PRC has stopped the ROC from holding the 1998 Asian Games, as well as exploiting its political might to force the authorities in charge of the 1993 Berlin Film Festival to pressure the ROC into changing its name to "Taiwan, China."

If no country in the world will recognize the ROC, some Taiwanese will feel uneasy, as well as doing all possible to find another means of preserving their international character just to survive, even to the point of not hesitating to touch off a PRC invasion of Taiwan. In other words, in the next few years, it will be impossible for the ROC to fully recover from its diplomatic disadvantage. The grounds for this are quite simple: While other countries may not recognize the ROC, they are still likely to maintain their trade dealings with both sides. So why should we offend the PRC? In short, in the foreseeable future, it seems that Taipei will be unable to establish any formal diplomatic relations with these three political entities.

Politics

The very existence of the Taiwanese independence movement is both endearing and repulsive to the ROC. While the ROC can take advantage of TI to remind the PRC and the whole world that both the ROC and the TI movement are essentially opposed to the PRC, to communism in particular, it can also exploit the PRC's verbal threats to invade Taiwan to restrain TI. Of course, TI might also occasionally echo the PRC, even knowing that the extermination of the ROC would mean a similar fate for it.

In short, what Taipei can do is to expand its sphere of influence to Hong Kong or Fujian. This is the only way that the ROC can silence TI, as well as remaining a match for the PRC. In 1989, millions of people in Hong Kong supported the democracy movement on mainland China, while the aftermath of the Tiananmen incident saw Taiwanese firms speeding up their capital investment in the mainland market, with these two phenomena showing the ROC's sharp capacity to expand its sphere of influence to mainland China. Of course, the extent to which the ROC can expand in mainland China will still depend on the degree of PRC tolerance.

Economics

The present world trend is toward free economic theory, or allowing the market to determine everything. Even the former Soviet Union abandoned its planned economy in September 1990, and adopted a market economy.

In fact, ever since 1978, the PRC has long since been practicing socialism in form but capitalism in substance. Leaving aside for the moment the realities of the suppression at Tiananmen and the subsequent reseizure of political power by the hard-liners, increasing numbers of people are discovering that a certain degree of capitalism is suited to mainland China. Of course, Hong Kong and Taiwan can help mainland China change substantively in many areas, or to evolve peacefully, which would even better guarantee Taiwan's security. As the PRC at that time would be exerting more time and effort to resolve constantly arising issues, it would not have much time or energy to take over Taiwan by force.

The Correct ROC Recognition of Other Countries

The general consensus is that the countries and regions throughout the world that might affect the security of the ROC include the United States, Russia, the Middle East, Vietnam, North and South Korea, Japan, and the ASEAN countries. Based on the previously mentioned four aspects of the question, we will discuss below the impact of these countries on the ROC.

Military

To a certain extent, the ROC is capable of intimidating the PRC. For instance, if hostilities broke out between the ROC and the PRC, it would be only the United States that could help Taiwan, which argument is certainly not 100-percent accurate. While the U.S. Congress might be forced to take action in line with its Taiwan Relations Act, once the PRC's PLA had assaulted Taiwan, the U.S. Congress might not have the time or the determination to provide the necessary aid to Taiwan.

The PRC might quite possibly employ the tactic of rapid combat and quick resolution. And as most countries' ships do not use the Taiwan Strait, once the PRC imposed a naval blockade against Taiwan, the United States might not rise to the occasion to appeal to other countries to line up with the ROC. Similarly, as the U.S. President is limited by the War Powers Act, he might be unable to take the appropriate action, as he might hold that a PRC offensive was nothing more than a "PRC" family matter.

In short, Taiwan's security has never been certain. But as this article is exploring the situation in the year 2000, short of Hong Kong's economic, financial, and other affairs deteriorating and, with the PRC still adopting its peaceful reunification form of "one country, two systems," it seems that there is not much possibility of armed conflict across the Taiwan Strait. But once Hong Kong's financial and other affairs become paralyzed, the

PRC would certainly not maintain its current policy toward Taiwan. In other words, the PRC would quite likely take Taiwan by force.

The only country that the ROC needs to pay attention to is Vietnam. If the ROC and Vietnam clashed, the place in dispute would probably be the Spratly Islands in the South China Sea. The more likely possibility would be that Vietnam might be the first to touch off such a dispute, as the ROC regards the Spratlys as its remotest frontline base, while being essentially incapable of defending them actively.

But the most likely possibility is that in light of the frequent contacts between Taiwan and Vietnam in recent years, and of Vietnam's hopes to acquire Taiwanese capital and investment, Vietnam would not venture to use force against Taiping Island in the Spratlys. Of course, if Vietnam decided to take the ROC's islands in the Spratlys, it would have to worry about the PRC's response, as since 1987, the PRC has been stationing troops on six or seven of the Spratlys.

Diplomacy

The ROC has no formal diplomatic relations with any of the other countries or regions mentioned above, with even South Korea having established relations with the PRC in August 1992, and since February 1993, not allowing its Taiwanese national societies to fly the ROC flag. But the ROC has peacefully navigated many diplomatic storms, such as the 1990 establishment of diplomatic relations with the PRC by Saudi Arabia, Indonesia, Singapore, and the Marshall Islands. So if the ROC can continue to maintain substantive relations with these countries or regions (such as continuing to buy oil from the Middle East), then no future developments will have a significant negative impact on ROC national security.

Politics

Of the countries mentioned above, the one with the most influence over the PRC remains the United States. As long as the United States continues to adhere to its stand that the "Taiwan issue" and the "reunification matter" should be resolved peacefully across the Taiwan Strait, the PRC is more likely to yield to the United States in the interests of acquiring U.S. investment and science and technology [S&T]. But it is certain that the PRC has learned a lesson from the Tiananmen incident in that, if a similar massacre occurred, it would become nearly impossible within just a few years for the PRC to obtain aid from the Western nations or Japan.

As the United States plays such a crucial role across the Taiwan Strait, the ROC needs to reiterate that any improvement in its relations with the United States would certainly not have a negative impact on PRC-China relations. Such an emphasis could keep the ROC out of a "zero-sum game" plight in which all would lose, as well as preventing damage to fundamental ROC national interests.

Economics

The ROC has always done all possible to develop economic relations with the countries and regions mentioned above. As long as the ROC can continue its trade dealings with these countries, it will certainly be able to exist and grow unscathed. As Taiwan's foreign exchange reserves have again ranked second in the world (based on data published in July 1994), this makes Taiwan quite attractive to other countries coming to negotiate. Of course, Taiwan also needs to decentralize its markets and upgrade its product quality, while ensuring that it can continue to receive oil supplies from the Middle East and other countries, as Taiwan's oil reserves are generally enough for only 120 days of consumption.

The Wrong Recognition

The wrong recognition might harm our national security. Generally speaking, the countries and regions mentioned above are certainly not engaged in any grand conspiracy (preceding word in English) against the ROC. In other words, they certainly would not like to see the ROC destroyed. While the United States supports Taiwan only to a certain extent, it would certainly not like to see Taiwan become part of Red China. In addition, as the CIS is embroiled in its own domestic problems, such as economics and ethnicity issues, it is forced to focus on resolving them.

While Middle East countries, such as Saudi Arabia, do not have diplomatic relations with the ROC, they still sell oil to Taiwan. Vietnam would not venture to take military action against the ROC, at least against Taiwan. As to South Korea's unilateral breaking of relations with the ROC, the ROC had long since made psychological preparations. And Japan, just like the United States, would not like to see the ROC turned communist by the PRC.

The ASEAN countries maintain quite stable and substantive relations with the ROC. Of course, they are also incapable of denying the existence of the ROC. [sentence as published] In fact, Singapore, since establishing relations with the PRC on 3 October 1990, has continued to observe its former contracts with the ROC, sending troops to Taiwan for training. In December 1990, Mr. Hsiao Po-ts'un was even invited on a four-day visit to Singapore in a private capacity. And ROC military cooperation with Malaysia is also closer than before, of which President Li Teng-hui's Southeast Asian tour in February 1994 was an example.

So the current issues remain: Might the ROC become subject to duplicity by the PRC, TI, and Hong Kong? And might not the ROC become subject to self-deception? We will discuss these two issues below.

The Possibility of a Wrong ROC Recognition of the PRC, Taiwanese Independence, and Hong Kong

Perlmutter and Gooch argue that: "Duplicity is generally a weapon of the weak. As the strong, when confronting

the weak, are generally more relaxed, undisciplined, and arrogant, during times of war the weak have a more pressing need to gain the advantage through duplicity." But both the strong, such as the PRC, and the weak, such as TI and Hong Kong, are likely to employ duplicitous tricks and tactics to cope with the ROC on Taiwan.

In other words, whether in times of war or peace, duplicity can always occur. "This is probably because many people hold that peacetime is nothing but a ceasefire stage of protracted war, which war includes an unceasing struggle over resources and ideology." So in protracted warfare and the "zero sum game" competition, any means and methods of maintaining one's existence are legitimate and rational, as military duplicity is amazingly effective.

Military

Because the PRC would like to leave the impression on the ROC that it has no troops on the front line, so that all is peaceful there, while wishing to resolve the Taiwan matter peacefully, Deng Xiaoping has said the same thing as did Mao Zedong, that once reunification across the Taiwan Strait occurs, the PRC will not send troops to Taiwan. In addition, number-two PRC figure Yang Shangkun once also noted that the mainland compatriots would not treat their Taiwanese compatriots calling for reunification as enemies. Several years ago, the PRC cut back its military regions [MR] from 11 to seven, at which time the Fujian MR was dismantled.

Data published by the ROC Defense Ministry note that the PRC's PLA Air Force deploys only about 200 aircraft on the mainland coast across from Taiwan. In addition, after Iraq invaded Kuwait, the PRC also stood together with the United States, the former Soviet Union, and other countries at UN meetings in a chorus of censure against Iraq's behavior.

But the PRC is still quite likely in the future to attack Taiwan against all Taiwanese expectations. The causes for this would be as follows:

1. *It seems that other PRC leaders will not endorse all of Deng Xiaoping's views and actions, particularly after his death.*
2. *As long as the TI movement exists, once the PRC clashes violently with it, it will be very hard to ensure that the PRC's PLA would not do harm to the Taiwanese people who are calling for reunification, as its bullets and artillery would be unable to distinguish who actually supported Chinese reunification from TI elements.*
3. *The PRC's "defensive" steps could essentially be a camouflage, as "most traditional arms technologies are multi-use, in which case such weapons could be used either defensively or offensively."*

Another noteworthy matter is that in recent years, PRC fishing boats have been constantly harassing Taiwan, while steadily collecting data pertaining to Taiwan.

Egyptian attacks on Israel in the 1970s could serve as a very good warning. "Egypt took military action four times, in all of which duplicity was a quite important part of its overall strategic planning. But Egypt launched a genuine military offensive only one of those times, which attack proves that duplicity is certainly effective."

TI elements have also tried to deceive the Taiwanese. They say that the ROC does not need to maintain a large-scale army as, if the ROC military could not win a strategic air or naval advantage, there would essentially be no use for the army anyhow. But while this certainly contains a kernel of truth, what TI really fears is that once the time was ripe for Taiwan to set up a new republic, the ROC would use this army to suppress or blockade TI.

As for Hong Kong, the PRC has taken a stand, stating that while its PLA will be stationed there after 1997, its numbers will absolutely be less than the current British troops stationed there. But this PRC policy is also likely to be a fraud, as it might be merely a ploy to break down ROC military vigilance, making the ROC believe that precautions, mobilization, and troop redeployment are all unnecessary.

Politics

Since the PRC established diplomatic relations with the United States and adopted its "one country, two systems" policy, it has made many promises to the Taiwanese. The CPC has recently proposed consultations with the KMT on matters such as a national flag, name, and constitution.

In recent years, the PRC has also on important occasions prominently displayed the portrait of Mr. Sun Yat-sen, the father of the ROC. A well-known Chinese-American political scientist says that some years back, Deng Xiaoping told him that he welcomed KMT members to operate on mainland China, as the PRC was looking forward to a third round of KMT-CPC cooperation, about which he apparently seemed very enthusiastic.

But if the ROC's ruling party accepted the "one country, two systems" model, then the ROC's national security on Taiwan would be sharply discounted. 1) In the eyes of many mainlanders, Taiwan would willingly become a local government, with a standing similar to Hong Kong's. 2) As the central government, the PRC could force the ROC to accept the PRC's national flag, name, and constitution. 3) The PRC could promote Taiwanese compatriots to posts as central or local mainland Chinese government officials to undermine the whole Taiwanese political network.

The TI movement has repeatedly called for the ROC to disband its National Assembly and abolish committees, such as its Overseas Chinese Committee, claiming that this is the will of most Taiwanese. But if the ROC succumbed to such TI ideas, it would find itself in an extreme crisis. The grounds for this are quite simple and

clear: The "one China" policy has enabled the ROC to more forcefully intimidate the PRC for decades. As long as the PRC knows that the ROC still claims that Taiwan is part of China, it will not be in such a rush to invade Taiwan by force.

Economics

The PRC has always welcomed Taiwanese investment and S&T. It has also suggested selling oil and natural gas directly to Taiwan (currently through Singapore). In addition, the PRC has granted Taiwanese entrepreneurs preferential treatment, a clear example of which are the investments in Xiamen and other places by Wang Yung-ching. But if Taiwanese businessmen got overextended on mainland China, the ROC Government would eventually become a PRC "hostage." So short of the PRC first renouncing its communist system, the ROC should not be too quick to allow direct passage between Taiwan and mainland China.

The Possibility of a Wrong Recognition Due to ROC Self-Deception

There are times when the ROC would rather turn a blind eye to certain matters. As such actions might endanger its own security, we will discuss below ROC Self-Deception.

Military

In July 1987, the ROC announced that it had lifted martial law. Prior to that, the ROC Government had often stated that the ROC military had made surefire preparations for any contingencies or outbreaks. But in the last seven years, mainland Chinese fishing boats have repeatedly engaged in open harassment, as well as seizing at sea Taiwanese fishing boats and gear, with our mainland compatriots also taking advantage of mainland or Taiwan fishing boats for illegal entry into Taiwan.

An American (who lived for several months in 1990 in a southeastern Taiwanese port) says that while he had seen apparently military personnel steadily coming ashore from sea, and had reported it to the local police, no one had paid any attention. Another American friend even tells this reporter of a method that could create turmoil in Taiwan, or sending spies from mainland China into Taiwan—5,000 would be enough. It is thus obvious that Taiwan still has many PRC spies. (Footnote 1) (Former National Security Director Sung Hsin-Lien [1345 1800 3425] notes that the PRC has more than 3,000 secret agents in Taiwan.) By contrast, while many ROC defense officials have recently gone to the mainland under aliases, they have been identified by the PRC public security sector.

As to military capability, the ROC is now developing weapons such as an IDF fighter and a patrol defense boat. But as this weaponry will go into full service only after a number of years, there is no doubt that if the PRC decided to invade Taiwan by force during those years, the ROC could not hold it off for long.

It seems hard at times for senior ROC defense officials not to hold conflicting views on certain crucial issues. In the first half of 1989, then Defense Minister Cheng Wei-yuan [6774 3634 0337] noted that if the PRC's PLA were to invade Taiwan, the size of Taiwan's geographical space would mean that each offensive wave could accommodate only 300 fighters and five divisions of troops. But in December 1989, newly appointed Defense Minister Hao Po-ts'un stated that the PRC's PLA could mobilize 15 troop divisions for a first offensive wave. The 10-division disparity in these two versions leaves us not knowing not only which one to believe (Footnote 2) (Former Defense Minister Chen Li-an has said that the 15 divisions referred to by Hao Po-ts'un included PRC irregulars, such as those on mainland Chinese fishing boats.), but more importantly how to prepare for combat.

Diplomacy

In March 1988, President Li Teng-hui decided to adopt a more flexible and pragmatic foreign policy. This foreign policy was mainly to encourage other countries not to worry about their relations with the PRC, but rather establish or reestablish direct relations with the ROC. Then in June 1989, the ruling Chinese KMT acknowledged openly for the first time the fact that for the past four decades, its jurisdiction had not included mainland China.

In May 1991, the ROC Government proclaimed the end of its "Interim Terms for the Period of Mobilization To Suppress Rebellion," officially recognizing that the PRC regime ruling mainland China was a legitimate political entity, or no longer holding that the PRC was an illegal regime. In July 1994, Taipei also announced in an international arena for the first time that it certainly did not represent all of China. As the ROC's successful establishment of diplomatic relations in 1989 with certain Third-World countries forced the PRC to sever diplomatic relations with them, some Taiwanese suggest that the ROC ought to continue its flexible and pragmatic diplomatic contacts.

But the ROC needs to be particularly careful not to create a "two-China" situation. While the ROC can exploit a "one-China" policy to intimidate the PRC, once it adopts a "two-China," or a divided "second-China" or "one-China, one-Taiwan" policy, that would incite the PRC to invade Taiwan by force, to lead to the ROC's self-destruction.

TI also recklessly advocates that using the name "Taiwan" internationally could overcome the current diplomatic isolation. But a "one-China, one-Taiwan" policy, just like a "two-China" one, would similarly incite the PRC to invade Taiwan by force. We are certain that on the reunification issue, the PRC will not make any rash concessions.

Politics

Before July 1987, the ROC Government suffered from a sort of "crying-wolf" syndrome—with the government often publicly "crying wolf." Several times the government gave notice that the PRC might invade Taiwan, with the public subsequently discovering that this was certainly not the truth, so gradually losing confidence in the government. At present, as the ROC Government on one hand permits visits to relatives on the mainland, while on the other not providing the appropriate warning, the public is gradually losing its vigilance about the potential threats of the PRC and the TI movement.

Former Garrison Headquarters (since changed to Coastal Defense Headquarters) personnel also acknowledge that since relations across the Taiwan Strait have been gradually thawing, it has become very hard to legally arrest Taiwanese figures who are close to the PRC. In addition, the ROC Government has allowed overseas TI elements to come back to Taiwan, as well as tolerating open discussion of the TI matter, which has even further blurred the lines between friends and enemies. Even at high-levels of the Chinese KMT, there is a dispute over the party's nativization, or the Taiwanization of the ROC [preceding phrase in English]. Some KMT members are even calling for the dissolution of the National Assembly, as well as the dismantling of key agencies, such as the "Overseas Chinese Affairs Committee."

On 7 October 1990, President Li Teng-hui set up the National Reunification Committee, which has also had a certain crucial impact on the national security of the ROC. As long as the ROC is not up to the PRC in overall national might, it is quite obvious which side will actually be "reunified" by the other.

The ROC has often suggested that Taiwan's experience could be drawn on by mainland China, as well as facilitating national reunification. But Taiwan's experience certainly has its flaws. For instance, Taiwan has been called the "Republic of Casino." In short, self-aggrandizing braggadocio will certainly not win the hearts of most mainland compatriots.

Economics

Since the Tiananmen incident, tens of thousands of Taiwanese businessmen have poured into the Chinese mainland, investigating the possibility of investing in setting up shop on the mainland. Meanwhile, many are also pressing the government to open up direct trade with the mainland. But as stated above, if the government truly allows direct trade dealings across the Taiwan Strait, Taiwan is likely to become a "hostage" to the PRC. And while Taiwan has large foreign exchange reserves, money per se will certainly not be able to prevent an invasion by the PRC's PLA.

Conclusion

Readers need to pay particular attention to the following three crucial points:

1. From a comparative perspective, in addition to right and wrong ROC recognition in the area of foreign affairs, we can also more properly explore the matter of the ROC's recognition of all aspects, as the ROC cannot acknowledge any one of the so-called "three political entities." Once the ROC acknowledged any one of these political entities, that would be equivalent to digging its own grave.

To be precise, if the ROC acknowledged the PRC, the PRC might invade Taiwan. If the ROC allowed the TI movement to set up a "central government" in Taiwan or on any of the Spratly Islands, the PRC might attack the location of the TI Government. Of course, advocating that Hong Kong become an independent nation would also be wrong, as it is nearly certain that the approximately 6 million people of Hong Kong will essentially never have that option.

2. This article has explored the recognition matter from the two perspectives of right and wrong recognition. In general, while the right ROC recognition would be to have relations with these three political entities, while overall resources are limited, the ROC has no way of reversing the overall situation. It has no way of coping with some outside pressures, as it is composed of people. So in the interests of social stability, the Government must comply with the demands of some people at times.

Of course, the result of doing so certainly does not seem to be as good as anticipated. As this possibility exists, the correct ROC recognition may often be confused with the incorrect one, and vice versa. As the ROC's national security remains so full of uncertainty, the ROC needs to continue to:

A. Reinforce its military might.

B. Establish or reestablish diplomatic relations with other countries, to consolidate its legitimacy as the government of China.

C. Adopt the most advantageous political strategy, to make a breakthrough in its current sphere of administrative control.

D. Tighten its economic relations with other countries.

3. This article has certainly not discussed the two recognition issues of "misrepresentation" [preceding word in English] and "illusion" [preceding word in English], as the ROC leadership is subject to almost no misrepresentation. The only reservation of note in this area would be in February 1993, when President Li said at a reception for the new Science Legislative Committee that he had never spoken of "one China." This was probably merely an inadvertent mistake, as he certainly had spoken of the matter, saying that "the one' China is the Chinese Republic."

As to "illusion," the ROC Government cannot play any games as, since the lifting of martial law, everyone has been able to speak out freely, with the mass media also overseeing at all times the government's every word and deed. In other words, is very hard for the ROC Government to cover up any facts that might affect its security. So Foreign Minister Chien Fu says that he cannot agree that "UN membership could guarantee Taiwan's security."

Finally, it is worth noting that in the next few years, the security of the ROC will certainly not change much. But as to the situation after the year 2000, that will depend on what the ROC does in the intervening years.

Hong Kong

Infrastructure Delegation Visits Special Zones

OW0703144095 Beijing XINHUA in English 1426
GMT 7 Mar 95

[FBIS Transcribed Text] Shenzhen, March 7 (XINHUA)—A delegation representing the Sino-British Cross-Border Infrastructure Coordinating Committee (ICC) concluded a two-day inspection tour of the Shenzhen and Zhuhai special economic zones today.

According to sources, the inspection, participated in by more than 50 delegates, was the first such activity conducted by the ICC since its founding at the end of last year and is aimed mainly to make preparations for a seminar scheduled for March 9 in Hong Kong.

During the tour the delegation made field trips and heard reports on feasibility studies for the construction of the Lingdingyang Bridge in Zhuhai and the western transportation passage in Shenzhen, all in south China's Guangdong Province.

The ICC was set up to rationalize the layout, improve the efficiency and make more scientific the infrastructure projects crossing the border between Hong Kong and the mainland by coordinating the efforts of the Chinese and British governments.

Sources said that already listed on the working agenda of the ICC are the Lingdingyang Bridge, the Western Passage and the control of Guangdong-Hong Kong water navigation.

The projected Lingdingyang Bridge, which will be 40 km long, will link Jinding Township and two islets with Lanjiaozui in Hong Kong.

The Western Passage, to link Shenzhen with Hong Kong, will involve construction of double highway-railway passages.

Coverage of Lu Ping's Recent Statements

Blames UK for Nationality Law

HK0803075295 Hong Kong HONGKONG STANDARD in English 8 Mar 95 p 2

[By M Y Sung in Beijing]

[FBIS Transcribed Text] The most senior mainland official responsible for Hong Kong affairs says a nationality law will be needed if the future legislature is to effectively determine how many Chinese and foreigners can join the assembly.

The Basic Law states that foreign nationals, as defined by China, may serve in the legislature as long as they do not comprise more than a fifth of the council. The director of the Hong Kong and Macao Affairs Office Lu Ping held out hope yesterday that China and Britain could yet sort out the question of nationality.

Britain maintains that it can continue to offer consular support to Hong Kong residents holding British National Overseas (BNO) and British Dependent Territory Citizen (BDTC) documents. The three million local holders are not entitled to live and work in the United Kingdom but can travel on the documents.

China considers all these people Chinese nationals who happen to be permanent residents of the Special Administrative Region of Hong Kong—and thus should not be afforded British consular protections.

Mr Lu said Britain had refused China's request to change the nationality law "to end the uncertainty and confusion".

The director, who was participating in Beijing's annual legislative session, told Hong Kong deputies that Britain alone was culpable for the impasse on nationality.

He said the nationality law directly affected electoral rules. The only other possibility was for "a through train"—a continuation of the Legislative Council elected in 1995 through to 1999. But this had been derailed by the reforms adopted in June last year, he said.

Government Responds to Remarks

HK0503045895 Hong Kong SUNDAY HONGKONG STANDARD in English 5 Mar 95 p 2

[By Mark Bode]

[FBIS Transcribed Text] The government has accused China's top official on Hong Kong affairs, Lu Ping, of stepping out of line after he said Britain should relinquish control of the 1997-98 Budget.

Governor Chris Patten's spokesman, Kerry McGlynn, said Mr Lu, the Hong Kong and Macao Affairs Office director, had not followed correct procedure by stating on Friday the 1997-98 Budget was a matter for the Special Administrative Region (SAR) government.

"In our opinion and probably the public's opinion, the place to discuss a sensitive issue like this is through the Joint Liaison Group (JLG)," Mr McGlynn said yesterday.

He noted that Financial Secretary Sir Hamish Macleod's plan to consult China on the last budget before the 1997 transfer was passed on to the Chinese side through the JLG last December.

"Our plan is to consult and co-operate with China in terms of budgetary issues and that has been spelt out in detail by the Financial Secretary," he said.

"We're still waiting for a formal response from the Chinese side."

But Mr Lu, in his first official comment on Sir Hamish's fourth and last budget, said it was up to the SAR government to consult Britain on the 1997-98 Budget, not the other way round.

He said if the SAR government had not been formed by that stage, then the job of drawing up the budget should be left to China.

"The (1997) budget should not only be consulted with the Chinese side, as Macleod has said, it should be formulated by the SAR government in consultation with the British side," Mr Lu said on Friday.

"It is not quite right that the British side consult the Chinese side on the budget."

Mr Lu supported his argument by saying the 1997-98 Budget would only cover three months of the British-Hong Kong administration, while the remaining nine months would be under the SAR government, which takes over on 1 July 1997.

Gary Cheng, secretary general of the pro-China Democratic Alliance for the Betterment of Hong Kong (DAB), said the SAR government should not take over the drafting of the 1997-98 Budget, but still should have more say in its formation.

"The SAR or Chinese government should play more of a role in the budget than just being consulted," Mr Cheng said.

"I think the Hong Kong public wants to see China more involved in the budgetary process in the coming years."

Independent legislator Dr Samuel Wong, an adviser to Beijing, said Mr Lu had got it wrong.

"Lu Ping was wrong when he said China should be in charge of the 1997-98 Budget. It should be the Hong Kong people," Dr Wong said.

"China should oversee the budget, but that doesn't mean breathing down everyone's neck."

Lee Wai-ting, of the New China News Agency's [XINHUA] Hong Kong office, said China should also participate in the formation of the 1996-97 Budget.

Paper Views Local Effects of Dollar Fall

HK0703104095 Hong Kong *SOUTH CHINA MORNING POST* in English 7 Mar 95 p 1

[By Duncan Hughes]

[FBIS Transcribed Text] The Hong Kong dollar yesterday plunged against all major world currencies as the United States dollar fell to its lowest level since the end of World War II—and there could be worse to come. Local currency markets will today batten down the hatches in preparation for another battering as the US dollar—to which the local currency is pegged—comes under renewed pressure.

The currency turmoil has sparked a flood of money out of US and Hong Kong dollars into safe currencies. Record levels of Hong Kong dollars have been moved into German marks and Swiss francs.

Currency experts yesterday warned that they expected to see the greenback reach new lows before it strengthened. Late last night the US dollar fell under 92.70 Japanese yen, hit 1.4000 German marks and traded for 1.1741 Swiss francs.

That is bad news for Hong Kong companies importing from some of the territory's major trading partners. It will also continue to dampen sentiment on the stock market and create uncertainty in the property market. But those most likely to immediately feel the pinch of a weakening local dollar will be the tourists travelling to Japan, Germany or Switzerland. A three-night package to Tokyo which cost \$4,000 last year has soared to \$5,400.

Economists assessing the impact of the dollar dilemma warned it could lead to a hefty increase in interest rates as the US Federal Reserve goes on the defensive. A predicted half percentage point rise in interest rates later this month or next could now be a full percentage point later this month, they claim.

An economist for the Hang Seng Bank said: "If the United States increases its interest rates to defend its currency then the Hong Kong dollar will also go." This would damage sentiment in the stock market and the fragile recovery in the property market. Consumers and retailers could also be hit by a double whammy of rising rates and more expensive imports from Japan and Europe.

But the weakening dollar could be a boon to local exporters to those markets which last year accounted for around 14 per cent, or \$150 billion, of the territory's trade. A weakening local currency could also strengthen demand for local re-exports from China. Economists predict trade with the US should remain stable.

Reportage Focuses on Local Financial Secretary

Article Profiles Secretary

HK0803065595 Hong Kong *SOUTH CHINA MORNING POST* in English 8 Mar 95 p 19

[Article by Fanny Wong]

[FBIS Transcribed Text] Everyone says he's such a workaholic, so ambitious and aggressive—but all Donald Tsang Yam-kuen wants, if he had the choice, is a nap every Saturday afternoon.

Mr Tsang, 50, the incumbent Secretary for the Treasury, was officially named Hong Kong's first—and youngest—local Financial Secretary yesterday, and is scheduled to take over from Sir Hamish Macleod in September.

Speaking after yesterday's announcement, Mr Tsang said in taking up the new challenge his aim was to serve the Hong Kong community and strive for a smooth transition in 1997. Stressing that he had no foreign passport and that he was "110 per cent" Chinese, Mr Tsang said

his intention was to stay in Hong Kong to serve the SAR [special administrative region] government.

From the time he was appointed to head the Finance Branch in 1993, Mr Tsang was tipped as the logical successor to Sir Hamish.

It is a promotion he has earned and which many colleagues regard as well-deserved. He won their recognition and support through hard work—sacrificing hours of sleep and sometimes working seven days a week and 20 hours a day—to ensure that the service he and his subordinates deliver is of the highest quality.

He is diligent, smart, quick and talented—whatever issues come to his desk are quickly sorted out. "He is terrifically focused," an insider said. But what really counts in the selection of the man set to steer Hong Kong's financial well-being through 1997 is his ability to resist pressure and stand firm.

Dubbed as Bowie by some of his colleagues because of his trademark bow tie, Mr Tsang is highly regarded by those who have worked with him even though he may appear to be unconventional and aggressive at times.

Those who have seen him perform at trade negotiations, at talks with the British Home Office on the passport issue and with the British Ministry of Defence on the Defence Cost Agreement have no doubt that he is a tough negotiator.

"He is so tough but at the same time he is also very diplomatic," said one colleague.

"This is a very important quality because as the Financial Secretary, day-in and day-out, he has to face pressure from both inside and outside the Government—politicians and pressure groups wanting the Government to spend more, businesses demanding the Government offer a better investment environment, government branches and departments asking for more resources."

Perhaps another attribute, is that he has the ability to step back and assess competing demands and take the tough decisions.

However, in dealing with Legislative Councillors on formal occasions, he is at times unnecessarily aggressive. Close associates say this is because, despite his skills, Mr Tsang is nervous and short-tempered and can be easily provoked by legislators or the media.

"It makes him appear to be somewhat controversial and an easy target for the media," an insider said. Yet this does not undermine his ability to address legislators.

His controversial speech, the "Silence of the Lambs", in which he warned the community of the danger of free lunches and cautioned legislators on the importance of being prudent in managing public finances did not tarnish his relationship with law-makers, even though the speech attracted strong criticisms from the democratic faction of the legislature.

In fact, the speech won him much praise and support from the business community for echoing their views that prudence in managing public finances is the key to Hong Kong's continued prosperity. It was a political speech but Mr Tsang said it was in Hong Kong's best interests.

Ambitious as he is, it is also Mr Tsang's untiring dedication to serve the community, especially in the light of the challenges of 1997, that keeps him going—and climbing up the ladder of success.

He started off as a junior Executive Officer in the turbulent year of 1967 and the last 28 years have seen him taking up a wide range of jobs in the district offices or in the Government Secretariat such as the General Duties Branch handling sensitive negotiations with China and the Civil Service Branch, looking after the welfare of thousands of civil servants. At one stage, thought was given by Governor Chris Patten to handing over Sir Hamish's role to close aide Michael Sze Cho-cheung, the Secretary for the Civil Service, but Mr Tsang secured the final vote.

Having served in the Finance Branch and the Asian Development Bank in the 70s and in the Trade Department in early 80s and 90s, his financial background and experience gave him an edge over Mr Sze whose expertise is in trade matters. With the added experience of heading the Finance Branch over the last two years, Mr Tsang stood out from his other colleagues at the policy secretary level. The China factor was another consideration. Until now, Beijing has raised no objection to Mr Tsang's elevation to the financial helm.

In the last few months when the final decision was made on his promotion, the Hong Kong Government made it informally known to Beijing its intention to name Mr Tsang as Sir Hamish's successor.

While there has not been any explicit approval of the appointment, the plan has not been met with any open objection either.

Concern about the civil service through train still lingers among senior officials. Sources said that even though China's reaction to Mr Tsang's appointment remained muted, there was no guarantee it would straddle 1997. His involvement in the work of the Sino-British Joint Liaison Group and in masterminding of the controversial British Right Of Abode scheme offering 50,000 Hong Kong families full British passports is seen as a setback that may colour China's judgment of his loyalty to the future sovereign.

A source said that Beijing would use the next couple of years as the observation period to closely monitor Mr Tsang's performance. The consultation with China on the formulation of future budgets is said to be a key factor affecting Mr Tsang's future. Beijing is said to have a number of candidates in mind for the post-1997 Financial Secretary if Mr Tsang fails to impress the Central Government.

Chief Executive of the Hong Kong Monetary Authority, Joseph Yam Chi-Kwong, and former Secretary for the Treasury, Yeung Kai-yin, are said to be front-runners should Beijing decide to have a change of guard in 1997.

Mr Tsang conceded yesterday that he does not have too many friends in China but nor did he have any enemies. Noting that he would be leading an official delegation to Beijing next week, Mr Tsang said he would take the opportunity to build up friendship and trust with mainland officials.

"I hope that next week's visit will enable me to explain how we do things in Hong Kong and at the same time listen to mainland officials about how they run their business. The most important thing is to eliminate any unnecessary misunderstanding."

Mr Tsang must be fully aware of the shadow over him. He must have felt ambivalent over whether to take on this heavy responsibility in the final years of British rule.

Now Mr Tsang will find the Saturday afternoon naps he so desires are increasingly out of reach. But come 1997, he may yet be able to catch up on his sleep.

New Secretary To Improve Ties

HK0803074895 Hong Kong SOUTH CHINA MORNING POST in English 8 Mar 95 pp 1, 2

[By Chris Yeung]

[FBIS Transcribed Text] Donald Tsang Yam-kuen officially named yesterday as the first local Chinese to be appointed Financial Secretary, has vowed to build a better relationship with China.

Mr Tsang said he would strive for a smooth transition and continue to serve Hong Kong after 1997.

"By doing so, I think I'm a dignified Chinese," said Mr Tsang, 50, who will be promoted from Secretary for the Treasury.

The appointment of Mr Tsang as No 3 in the administration, under the Governor and the Chief Secretary, marked another major step in preparing for a locally composed leadership ahead of the 1997 changeover.

Other appointments announced yesterday were:

—Deputy Secretary for Treasury Kwong Ki-chi, 43, replaces Mr Tsang;

—Commissioner for Transport Rafael Hui Si-yan, 47, takes over from Michael Cartland, 50, as the Secretary for Financial Services;

—Mr Hui will be succeeded by Lily Yam Kwan Pui-ying, 48, now chairman of the 1995 Administrative Officer Recruitment Board;

—Retiring Director of Audit Brian Jenney, 59, will be replaced by his deputy Dominic Chan Yin-tat, 51;

—Mr Kwong's post will be taken by Alan Lai Nin, 43, now deputy chairman of the recruitment board.

The widely-expected shuffle was made by Governor Chris Patten after an Executive Council meeting.

Mr Patten said the appointments "mark another major step towards our goal of filling all policy secretary posts with suitable local officers by the end of 1995".

He was confident that the promotion of Mr Tsang to replace Sir Hamish Macleod would be widely welcomed in the civil service and the community.

"Donald Tsang has a tremendous record of achievement and commitment to Hong Kong. I have absolutely no doubt that he will build on the strong foundations laid down by Sir Hamish," he said.

Sir Hamish, 55, is to retire in August. Mr Tsang will be succeeded by Mr Kwong in April.

He will undertake a series of visits—including one to Beijing on Sunday—and familiarisation briefings before taking over from Sir Hamish in September.

Executive Councillor Professor Felice Lieh-Mak said she hoped that the senior officials could strengthen communications with China. China has yet to agree to open talks on the transition of senior officials of the Government, saying that was a matter for the Chinese Government.

Mr Tsang said: "I intend to stay in Hong Kong and am happy to serve the Special Administrative Region [SAR] government.

"But whether I can occupy the same post depends on the nomination by the Chief Executive and acceptance by the central Government."

Mr Tsang, who has been deeply involved in politically sensitive matters, including the Joint Liaison Group agenda and the British Nationality Scheme, said he did not hold foreign nationality and right of abode. A holder of the British Dependent Territories Citizens' passport, he said he would like to travel with an SAR passport after 1997. Mr Tsang said it was an honour for him to contribute to a smooth changeover of the community to which he belonged and to make it "a land of peace and happiness".

The Financial Secretary designate is to lead a team of senior officials to visit Beijing and Tianjin on Sunday as part of the mutual visits programme between the two Governments. He is to meet officials from the Hong Kong and Macao Affairs Office, Foreign Ministry and Finance Ministry.

"I hope that we can increase...mutual understanding and deepen friendship," he said.

"There might have been some misunderstandings in the past, but they can be overcome."

The Government has proposed a four-stage programme of discussion with China beginning this year, followed by "consultation" with Beijing officials on the 1997/98 Budget in 1996.

But Beijing wants a bigger role.

Mr Tsang said the issue should be dealt with by the Joint Liaison Group and was not a matter for his forthcoming trip to Beijing.

"The 1997/98 Budget is of utmost importance to Hong Kong. Both sides certainly look at it as an important undertaking," he said.

He noted that there might be "new problems" over financial issues between the SAR and China after 1997. "But we have to look at it in a positive manner. A sound and prosperous economy in Hong Kong will benefit China in the long-run as well," he said.

Yesterday, Mr Tsang played down disputes with elected politicians and admitted that civil servants have to recognise the need to face political change. The allocation of resources was merely a matter of priority-setting, he said, adding there was no fundamental differences between him and the legislators. Mr Tsang said his immediate task was to secure approval of the just-announced Budget. The ultimate goal, he said, was to seek ways to maintain a sound economy and sound fiscal strength in the long-run.

He said he did not intend to make change for the sake of change.

"Prudence is the most essential element. Finance management is always conservative.

"We won't depart from the track...I don't think we need major surgery.

Mr Tsang said the Government would not interfere with the property market after it was "being put back on the right track" following a surge in prices.

Joint Liaison Group Signs Accords

OW0703170495 Beijing XINHUA in English 1612
GMT 7 Mar 95

[FBIS Transcribed Text] Macao, March 7 (XINHUA)—Two agreements concerning Air Macao's carrier status and Macao's accession into international organizations were signed at the four-day 22nd meeting of the Sino-Portuguese Joint Liaison Group held here today.

The first agreement will allow the Macao government to grant official air carrier status to the Air Macao and the second agrees to Macao's accession into the International Union of Family Organizations.

The 22nd meeting of the Sino-Portuguese Joint Liaison Group will be held here on March 7-11.

The main topics of the meeting will focus on three major transitional issues, including localization of public servants and law and officialization of the Chinese language, Macao's accession into concerned international organizations, pensions for retired public servants, Macao's Air Agreements with foreign countries, Macao government franchise agreements straddling 1999 and transfer of archives.

The meeting was described by both sides of the joint liaison group as taking place in an atmosphere of friendship and cooperation.

Official Predicts 'Control' Over Society

HK0603073795 Hong Kong EASTERN EXPRESS in English 6 Mar 95 p 4

[By Didi Tatlow]

[FBIS Transcribed Text] The head of a new centre to study the Hong Kong, Taiwan, and Macao media in China has called for Hong Kong newspapers to be publicly available in the mainland after 1997. And he predicted that it would be necessary to "exert control over (Hong Kong) society" after 1997.

Wu Gaofu, the director of the Taiwan, Hong Kong, and Macao News Research Centre, which is based in Wuhan University in central China, also warned that "there will definitely be problems (between Hong Kong and China) after 1997." "The different experiences of these two societies makes this unavoidable," he said, but making the Hong Kong press available in China after the handover would help avoid difficulties.

Although his centre specialises in the different media situations of China, Hong Kong, and Taiwan, they do not have direct access to the Hong Kong media. Only the central government and certain privileged research centres in Beijing have that, he said.

Wu said that knowledge about Hong Kong's Chinese-language media in China was limited and knowledge of the English-language media was virtually nonexistent. The lack of mutual understanding between the two sides did not bode well for the future, as China and Hong Kong just did not understand each other, he warned.

Wu, who will visit Hong Kong soon to research a book on the issue of greater China media relations, said he wanted to study problems such as the case of the Hong Kong journalist, Xi Yang, arrested in China in September 1993 and sentenced to 12 years in prison for allegedly leaking state secrets.

Xi published details of financial policies and gold reserves of the Chinese government in the Ming Pao Daily News newspaper. His arrest and subsequent sentence provoked an uproar in Hong Kong and raised fears of reduced press freedom and self-censorship in the media after the 1997 handover. Xi "didn't understand what you cannot do here [in China]. So there were

problems," Wu explained. "We must talk about what truth means in journalism, and morality in the media."

He predicted that after 1997 "if Hong Kong does not interfere with China, then China will not interfere with Hong Kong".

However, "there must be some form of control over the Hong Kong media (after 1997). It is impossible for there not to be (some form of control). Just like here in China, where we have both central and local control over every locality," he added.

"The Hong Kong press is very broad, especially in its social coverage. Mainland people see Hong Kong as a very confused and violent place with high levels of theft, so they are very afraid of it. So I thought it would be a good idea to set up a centre which would try to introduce Hong Kong to China. There is not much time left until 1997 and there will be many problems left unsolved but we will continue working on it after the return of Hong Kong to the motherland."

Article Views Plans for Post-1997 Structure

HK0803063195 Beijing LIAOWANG in Chinese No 5, 30 Jan 95 p 17

[Article by Zhang Zhizhou (4545 0037 3166): "Another Plan Aimed at a Smooth Transition of Hong Kong"]

[FBIS Translated Text] What will the government of the future Hong Kong Special Administrative Region [SAR] look like? Will it differ greatly from the existing British Hong Kong Government structure prior to 1997? The writer has learned that after thorough studies of this issue, the specialized panel on political affairs under the SAR Preliminary Working Committee [PWC] put forward a preliminary plan at the just-concluded 13th group meeting, a plan that will set the minds of Hong Kong people in all walks of life at ease, especially the 180,000 civil servants in Hong Kong.

At the recent meeting, panel members suggested that in order to ensure a stable transition in Hong Kong and the smooth establishment and operation of the first session of the SAR government, the existing organs of the British Hong Kong Government should basically remain the same, except for a few changes required by the Basic Law and by the requirements of China's resumption of sovereignty over Hong Kong. According to the Basic Law, a department of administration, a department of finance, and a department of justice should be established in the future SAR government, the status of which should correspond to the three existing secretary-level departments of the British Hong Kong Government, namely, the Government Secretariat, the Department of Economic Services, and the Legal Department. In view of the fact that there are no specific stipulations in the Basic Law as to which departmental-level organs should be set up in the SAR government, the panel members suggested that by changing the word "department" to "bureau," the existing Hong Kong Government structure of 15

"departments" should be kept intact, with only slight changes to the names of certain departments. As regards the number of ordinary divisions and commissions to be set up and the readjustments made to the present number of divisions and commissions under the Hong Kong Government, the panel members suggested leaving these matters to the discretion of the future SAR government. All these suggestions are permeated with the same guiding ideology and spirit upheld by the panel members in designing the composition of the future SAR government: This preliminary plan must contribute to Hong Kong's smooth transition and to the stability of the contingent of public servants, yet facilitate the least number of changes possible.

As we all know, a handover involving two political powers with different natures is usually accompanied by a major shuffle of government as well as general personnel changes. Based on the general principle of "one country, two systems," the Chinese Government promised in the Sino-British Joint Declaration and also stipulated in the Basic Law in explicit terms that public servants serving in all Hong Kong Government departments (including the police) before the establishment of the Hong Kong SAR can all remain in employment and retain their seniority with pay, allowances, benefits, and conditions of service no less favorable than before. The preliminary plan put forward by the political panel suggesting that the existing government composition of the British Hong Kong Government be kept basically intact until 1997 and serves precisely as a guarantee, in terms of system and organizational structure, for the implementation of all arrangements concerning the continued service of public servants currently serving in all Hong Kong Government departments. When 1 July 1997 arrives, all departments and links of the government can function as usual without any dislocations or disorder, while the overwhelming majority of public servants can remain in their original posts, each attending to the duties he is skilled at. Therefore, public servants currently serving in all the departments of the Hong Kong Government will no longer have to worry about whether they will lose their "rice bowls" or will be forced to "change professions" because of the dismantling of their existing departments or as a result of a major government reshuffle.

Besides putting forward suggestions on the organizational composition of the first session of the SAR government, the political panel also produced at the group meeting a namelist of candidates for the principal posts of the first SAR government. According to stipulations in the Basic Law, restrictions will be placed only on the nationality and capacity of the chief executive and the principal officials of the SAR government, that is, only Chinese citizens who are permanent residents of the region with no right of abode in any foreign country can fill these posts, while foreign nationals and those with right of abode in foreign countries can serve as public servants at all levels other than the principal posts noted above. This writer still remembers that as early as the

drafting stage of the Basic Law, the Chinese side had already made it clear that the number of principal officials was not going to be big, approximately 20. Just as expected, the total number of principal posts suggested by the recent group meeting turns out to be 27. They are: the secretary and deputy secretary of Administration, the secretary and deputy secretary of finance, and the secretary and deputy secretary of justice, the director of the civil service bureau, the director of the security bureau, the director of the education bureau, the director of the health and social welfare bureau, the director of planning, environment, and lands Bureau, the director of the recreation and culture bureau, the director of the transport bureau, the director of the civil affairs bureau (the present Department of Home Affairs), the director of the economic bureau, the director of the accounting services bureau (the present Finance Department), the director of the financial and trade affairs bureau, the director of the industry and commerce bureau, the director of the works bureau, the director of the Housing bureau, the director of the banking bureau, the commissioner of the Independent Commission Against Corruption, the commissioner of police, the director of immigration, and the commissioner of customs and excise. That is to say, except for the 27 posts listed above, numerous senior-level public posts will remain open to foreign nationals and those with right of abode in foreign countries.

Hong Kong 'Forces' Grow After Election

HK0803110395 Hong Kong WEN WEI PO in Chinese
7 Mar 95 p A2

[Editorial: "Patriotic, Love-Hong Kong Forces Are Growing in Strength"]

[FBIS Translated Text] The results of the Urban and Regional Council elections have been published. Although the elections were conducted according to unfair election rules unilaterally determined by the British Hong Kong authorities, the patriotic, love-Hong Kong forces have nevertheless given a good account of themselves. Thanks to their excellent urban service records, they have won the support of voters. This will play a positive role in unifying the patriotic, love-Hong Kong forces, training their ability in the future administration of Hong Kong and accumulating experience, and realizing the administration of Hong Kong by the Hong Kong people with patriots as the main body.

Conducted under the rules of the game worked out by Chris Patten, the elections, from the single-seat, single-vote system to the method of calculating election expenses, benefit only the "one-party monopoly." It is neither consistent with popular will nor conducive to the participation of patriotic, love-Hong Kong people. However, the patriotic, love-Hong Kong people still managed to score good results, a rare feat indeed.

With the approach of 1997, the vast numbers of Hong Kong people are taking an increasingly active part in

matters regarding the post-transition period. The turnout rate rose from the previous 23.1 to 25.8 percent. This is good. It shows that although they are dissatisfied with Patten for sabotaging the "through train" arrangements, they are still working hard for a stable transition. Actively throwing themselves into the election the patriotic, love-Hong Kong people have mobilized the masses, accumulated election experience, learned to master the rules for operating the three-tier councils, reduced as far as possible the effect of Patten's plan to sabotage the smooth transition, and strengthened the patriotic, love-Hong Kong forces. This will create a new situation in ensuring Hong Kong's prosperity and stability.

A comparison with the conditions in 1991 enables us to understand that earthshaking changes have taken place in Hong Kong's political situation. First, the patriotic, love-Hong Kong forces have participated in the elections in an open and aboveboard manner and a growing number of people have identified with China. "Pro-China" plus "doing solid work" has become an important factor in winning the support of voters. The fact that more and more patriotic, love-Hong Kong people have been elected shows that the times have changed and so have the conditions. Some candidates who have always been pro-British and tried to throw Hong Kong into chaos no longer dare to raise such campaign slogans as "pro-China is the kiss of death" or to flaunt the pro-British and anti-China banner. On the contrary, in a bid to appeal to voters, they said: "I am Chinese and I have yellow skin and black eyes." This is a small sign indicative of a great trend. Second, gratifying changes have begun to emerge in the constituencies where the patriotic, love-Hong Kong forces were fairly weak in the past. The number of votes they won in the Southern District of Hong Kong, Fan Ling, Tai Po, and Tuen Mun has increased. Third, people of all strata have cooperated in harmony and supported one another. Through coordination, some constituencies put forward more competitive candidates and paid more attention to campaign techniques. They have scored better results, uniting a wider scope of people and winning more friends.

Szeto Wah thought it was a great idea to "block" Elsie Tu by dint of the force of a political party. In fact, the gimmick he used in the election has hurt not only Elsie Tu's sympathizers and supporters but other people as well, leaving a deep impression on the voters. By attacking on all sides and occupying other people's spheres of influence, the Democratic Party has made many enemies, forcing local people who have strength and power to rally together and put up resistance. There will be after-effects in the days to come. Viewed from the Kwun Tong District as a whole, the Democratic Party has won a few more votes than the patriotic, love-Hong Kong forces, leading by only a few percentage points. It is still not known who will win in another trial of strength in September. However, the Democratic Party has suffered setbacks with two of its five Legislative Council [Legco] members, i.e. Feng Chi-wood and Tik Chi-yuen, losing out to relatively unknown adversaries Cheung

Hon-chung and Wong Chi-keung. This shows that the so-called "political party effect" and "star effect" are not so terrific after all. The most important thing is still the actual records of service to people's livelihood. In 1991, the Democratic Party benefited from the so-called "joint ticket effect." Four years later, it plans to adopt the strategy of "29-ring chain" in the next September election, under which it will use the stars in direct election constituencies to help unknown people in the nine new functional constituencies to be elected. This is also the "essence" of Patten's plan. It is apparently a wonderful plan but, with the stars in direct election constituencies unable to fend for themselves, how can they help other people? Now that its formations have been thrown into confusion and showing a gap under the tremendous impact, how can the Democratic Party repair the "star gap" on the 20 direct election constituencies.

In the district board elections last September, the patriotic, love-Hong Kong forces gained great fame and high prestige; in the Urban and Regional Council elections this month, they have also scored good results. This will enormously encourage the patriotic, love-Hong Kong people to take part in the September Legco elections.

Under the British plan, the 1995 Legco elections are closely related to changes in the operations of the three-tier councils. In the 10 seats coming directly from elected district board members, the pro-British, anti-China faction will gain a majority of seats. After that, the pro-British, anti-China faction will use the Urban and Regional Council elections to pave the way for the September Legco elections. If they win those elections, they can easily win the directly elected seats in September and then seize the nine new functional constituency seats. By safely winning 31 seats, or more than half the Legco seats, they will be able to escort the transition of the British Hong Kong authorities' legal reform in the past two years, switch into a legislative-led administration, and forcibly straddle 1997. People saw through this long ago.

Through the Urban and Regional Council elections, a situation in which the patriotic, love-Hong Kong forces have made an impact on the "one-party monopoly" of the Democratic Party has emerged. This is encouraging. It should be pointed out that there was an incident of Democratic Party's campaign assistants fighting with people. The general public opinion hold this as something that should not have happened. Undoubtedly, this is a serious signal showing that, with the British Hong Kong authorities clearly favoring a certain kind of candidate, the elections have become increasingly politicized. It is strange that not only did Chris Patten, as

governor, fail to express opposition to this and take measures to prevent similar occurrences in future election activities but he also indicated his "understanding," which essentially means connivance. We also recall that, after the district board elections last year, he told the media it was strange that elections had been going on so peacefully in Hong Kong. Apparently, he wanted to introduce violence into Hong Kong's elections. Hong Kong residents must be highly vigilant against this.

Consuls Attend XINHUA Branch Reception

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[FBIS Transcribed Text] Hong Kong, March 8 (XINHUA)—A senior Chinese official was quoted here today as saying that XINHUA NEWS AGENCY Hong Kong Branch expects to enhance good relations with foreign consulates in Hong Kong in the coming year.

At a spring festival reception for foreign consuls in Hong Kong Tuesday, Zhang Junsheng, Deputy Director of the Branch, said that in recent years the Department of Foreign Affairs of the Branch had formed sound relations with many of foreign consulates in Hong Kong.

There are now over 90 foreign consulates in Hong Kong and most of them often exchange views with the department.

Zhang said that apart from regular contacts, the department also arranged some of the consuls to visit China's mainland for economic and trade investigation.

On the question about the foreign consulates in Hong Kong after 1997, he said that the Article 157 of the Basic Law of the Hong Kong Special Administrative Region has answered the question and the principle set by the Basic Law remains unchanged.

According to the Basic Law, the establishment of foreign consular and other official or semi-official missions in the Hong Kong Special Administrative Region shall require the approval of the Central Government.

Consular and other official missions established in Hong Kong by states which have formal diplomatic relations with China may be maintained.

Consular and other official missions established in Hong Kong by states which have no formal diplomatic relations with China may be permitted either to remain or be changed to semi-official missions; states not recognized by China may only establish non-governmental institutions in the region.

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